



Wildlife Haven

MARULENG LOCAL MUNICIPALITY

ANNUAL REPORT

2009- 2010

CONTENTS

<i>PART 1: GENERAL INFORMATION</i>	<i>2</i>
<i>PART 2: OVERVIEW OF THE MUNICIPALITY</i>	<i>5</i>
<i>PART 3: PERFORMANCE HIGHLIGHTS</i>	<i>17</i>
<i>PART 4: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT</i>	<i>51</i>
<i>PART 5: FINANCIAL OVERVIEW AND FINANCIAL STATEMENTS</i>	<i>61</i>
<i>PART 6: ASSESSMENT OF REVENUE COLLECTION</i>	<i>72</i>
<i>PART 7: ACTION PLAN TO ADDRESS A-G 'S FINDINGS</i>	<i>79</i>
<i>PART 8: SERVICE DELIVERY REPORTING</i>	<i>102</i>
<i>PART 8: CONCLUSION</i>	<i>134</i>

PART 1: GENERAL INFORMATION**GRADING OF THE LOCAL MUNICIPALITY : 3****BANKERS : STANDARD BANK****AUDITORS : AUDITOR GENERAL****REGISTERED OFFICE : MUNICIPAL OFFICES****65 SPRINGSBOK STR .65
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Glossary of Terms

<i>CFO</i>	<i>Chief Finance Officer</i>
<i>Cllr</i>	<i>Councillor</i>
<i>EXCO</i>	<i>Executive committee</i>
<i>FMG</i>	<i>Finance Management Grant</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>IDP</i>	<i>Integrated Development Plan</i>
<i>IEC</i>	<i>Independent Electorate Commission</i>
<i>LED</i>	<i>Local Economic Development</i>
<i>KPI</i>	<i>Key Performance Indicator</i>
<i>MFMA</i>	<i>Municipal Finance Management Grant</i>
<i>MIG</i>	<i>Municipal Infrastructure Grant</i>
<i>MSA</i>	<i>Municipal Systems Act</i>
<i>OHS</i>	<i>Occupational Healthy Safety</i>
<i>PMS</i>	<i>Performance Management System</i>
<i>SDBIP</i>	<i>Service Delivery and Budget Implementation Plan</i>
<i>SDF</i>	<i>Spatial Development Framework</i>
<i>SPED</i>	<i>Spatial Planning and Economic Development</i>
<i>SMME</i>	<i>Small Medium Macro Enterprise</i>

1.1. INTRODUCTION AND OVERVIEW

Maruleng is a Sepedi word derived from the name of the fruit “marula” which is indigenous in Limpopo. The name means a place of Marula. The Marula tree is indigent to this area and is used in many ways, for instance marula drink, essential oil, fruit, jam, beer, certain types of nuts and the medicinal bark. The Maruleng municipality is situated in the South eastern quadrant of the Limpopo province within the Mopani District Municipal Area of jurisdiction. The Maruleng municipality is bordered by the greater Kruger National Park to the east, the Ba-Phalaborwa and Tzaneen municipalities to the north, the Lepelle Nkumpi municipality to the west, and Tubatse and Bushbuckridge to the south. Maruleng is characterized by typical lowveld vegetation. To the south municipal area borders the Drakensberg escarpment. Although resources within the boundaries of the municipal area are scarce, the local of natural resources (in terms of game and nature reserves) within its boundaries as well as on the perimeter of its boundaries offer many opportunities for development. The main access points to the municipal area are Klaserie and the Strijdom tunnel in the south, Ofcolaco in the west and Mica in the north. The town of Hoedspruit is the administrative and economic centre of the area. Hoedspruit is 74km south of Ba-Phalaborwa (R40), 135km north-east of Lydenberg and 225 km from Polokwane. It has one major urban area (Hoedspruit) which harbours 2, 3% of population and 36 communities which harbour 88, 7% and farms which harbour 9% and a total of 12 wards. Hoedspruit also houses South African Air Force Base. The Maruleng municipal area is approximately 3247 km².

1.2. ECONOMIC PROFILE

Maruleng municipality has a solid economic base centred on agriculture and tourism, with significant potential for growth. In 2006 it contributed R1.9 billion in the provincial GDP. Maruleng essentially comprises four divergent sub-economies:

- ❖ The public sector which is the largest contributor to GDP
- ❖ Agriculture comprising mainly large-scale commercial farming which contributes 41% of all formal employment and small-scale or subsistence farming
- ❖ Retail and Service Businesses (mainly in Hoedspruit)
- ❖ Transport and Communications which is the second biggest GDP contributor

The town of Hoedspruit is the administrative and economic centre of the municipality. It also houses South African Air Force Base.



1.3 . FOREWORD BY HIS WORSHIP THE MAYOR

The 2009/2010 Annual Report for Maruleng Local Municipality sets out the performance highlights and financial management for the 2009/2010 financial year. The report is an account of the municipal's achievements in the year under review, and as with any rigorous reporting instrument it does not hesitate in pointing out where the municipality has fallen short. For the first time since its establishment the municipality was on track to attain an unqualified audit. Thanks to all stakeholders that have contributed for this achievement. The report is published in terms of the Municipal Finance Management Act, 2003 which requires municipalities to report regularly on all aspects of performance and expenditure.

It also forms part of a cycle of on going planning, monitoring and evaluation that begins with the formulation and annual review of the Integrated Development Plan – the five-year plan for the municipality, which ideally reflects the views of stakeholders in the municipality.

Readers of this Annual Report will be able to reflect on progress in meeting the objectives of the IDP, and see where we have delivered and where challenges still lie. I have no doubt that this will be a useful document for councillors, staff and stakeholders as we strive to continuously improve our services to the people of Maruleng.

Together we can do more.

*Pule Abel Mafologele
Mayor*



1.4. STATEMENT BY THE MUNICIPAL MANAGER

This report is published in terms of the Municipal Finance Management Act, Act 56 of 2003 and the local government legislation that has brought about considerable changes to local government over the past years. One such change has been the implementation of performance management regulations and guidelines, which require municipalities to report on progress in specific areas. The MFMA also sets very high standards when it comes to accounting on the use of public funds.

As is the case with other municipalities, Maruleng municipality strives to achieve service excellence in all areas of its work. This report will give readers a substantial insight into the workings of the municipality. Over the past three years we have been seeing a steady improvement in the quality of our performance reporting as organizational performance management becomes entrenched and as managers begin to see how the identification of key performance indicators and the tracking thereof can aid service delivery and create or highlight opportunities for ongoing improvement. As this way of working becomes entrenched in municipality, it also becomes possible for our stakeholders to measure our progress based on clearly stated objectives. It came as no surprise when we attained an unqualified audit for the first time in the history of the municipality.

Many important issues are highlighted in this annual report, which remain challenges for the administration in the period ahead. In particular, some departments still have vacancies in critical areas which have impacted negatively on service delivery – this is an area which requires our urgent attention, as we progress towards consolidating and building the administration to serve the people of Maruleng in most effective way. However, it must also be noted that a number of critical appointments were made during the period under review.

This 2009/10 Annual Report includes a depth of information that was not available in the last year's report and we therefore have no doubt that in the years ahead we will continue to improve and deepen our standards of reporting, and ultimately and more importantly, the quality of services that we render.

REFILWE RAMOTHWALA
MUNICIPAL MANAGER

1.4. 1. VISION

A vision is the most ambitious dream for the organization and as such it provides direction. A vision defines what the organization hopes to achieve in 5 or 10 years.

The vision of Maruleng Local Municipality is:

“To be the powerhouse of socio-economic development through sustainable and integrated agriculture and tourism”

This vision culminates from the following factors: The diverse cultural opportunities within the Maruleng Local Municipality area should be developed into tourist attractions. The agriculture sector growth, and processing opportunities together with that, motivates the opportunity for even more superseded agricultural sector growth and processing.

1.4.2. MISSION

A Mission Statement portrays the municipality’s reason for being; it maps out how the vision of Maruleng Local Municipality as an organization is going to be achieved.

The mission of Maruleng Local Municipality is:

Maruleng Local Municipality is committed to the provision of basic services and the promotion of socio-economic development in an integrated and sustainable manner.

This mission addresses the objectives of local government section 152 of the constitution and also supports the key provisions of the System Act that is to: “...provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential services that is affordable to all”

1.4.3. SLOGAN

A slogan is a memorable motto or phrase used in a repetitive expression of an idea or purpose. A slogan expresses the uniqueness of an organization. The proposed slogan for Maruleng Local Municipality is:

“Wildlife Haven”

This slogan is informed by the fact that the municipality has the largest game/wild farming in the world.

1.4.4. STRATEGIC OBJECTIVE

The Department of Local Government and Housing has identified Key Performance Areas (KPA's) whereby the Strategic Agenda can be implemented and monitored. Of critical nature for the municipality will be to link its strategic objectives to the Strategic Agenda of National Government. The table below provides the detail whereby the strategic objectives of the municipality are linked to the five Key Performance Areas as stipulated by the Department of Local Government and Housing:

<i>CGTA KPA</i>	<i>Strategic Objectives</i>
<i>Municipal Transformation and Organizational Development</i>	<ul style="list-style-type: none"> <i>• Address community needs through developmental spatial and integrated planning.</i> <i>• Develop a high performance culture for changed, diverse, efficient and effective local government.</i> <i>• Attract and retain the best human capital to become employer of choice.</i>
<i>Basic Service Delivery</i>	<ul style="list-style-type: none"> <i>• Improve access to sustainable and affordable services.</i>

	<ul style="list-style-type: none"> • <i>Promote environmentally sound practices and social development</i>
<i>LED</i>	<ul style="list-style-type: none"> • <i>Create community beneficiation and empowerment opportunities through networking for increased employment and poverty alleviation</i> • <i>Create a stable economic environment by attracting suitable investors</i>
<i>Municipal Financial Viability and Management</i>	<ul style="list-style-type: none"> • <i>Increase financial viability through increased revenue and efficient budget management</i>
<i>Good Governance and Public Participation</i>	<ul style="list-style-type: none"> • <i>Develop effective and sustainable stakeholder relations</i> • <i>Develop and improve systems, procedures and policies by practicing sound governance</i>

2.1. Demographic profile

Maruleng's population is youthful, with Sepedi being the main language. Women constitute about 53% of the population. Reconciled population and age distribution of the municipality are presented in tables 1 and 2 respectively:

Table 1: population and households

POPULATION		HOUSEHOLDS	
Census 2001	Census 2007	Census 2001	2007
94383	95775	19688	24589
% increased	1.46	% increased	19,93

Table 2: Age Distribution

<i>Age Group</i>	<i>Male</i>	<i>Female</i>	<i>Percentage (%)</i>	<i>Number</i>
0-4	5428	5512	11,9	10940
5-14	13077	12992	27,63	26077
15-34	16942	20556	39,42	37498
35-65	7570	7909	16,40	15479
Over 65	1369	3028	4.65	4389
Total	44386	49997	100	94383

Table3: household income

<i>Income</i>	<i>No. households</i>	<i>Percentage</i>
No income	7332	31,83
R1-R4800	3794	16,47
R4801- R9600	6071	26,36
R9601-R19200	2881	12,51
R19 201-R38 400	1356	5,89
R38 401-R76800	790	3,43
R76 810- R153 600	491	2,13
R153 601-R307 200	190	0,82
R307 201-R 641 400	59	0,26
R641 401-R1 228 800	27	0,12
R1 228 801-R2 457 600	26	0,11

Over R2 457 600	15	0,07
TOTAL	23033	100

About 87.4% of all households reside in a formal dwelling and 4.6% households reside in either informal or traditional dwelling. The municipality has about 9002 indigent households.

2.2. Governance

The Council is the legislative body, which is empowered to take decisions inter alia concerning by- laws, the IDP and budget.

2.2.1. The Speaker

The Speaker is the Chairperson of the Council and is elected in terms of section 36 of the Municipal Structures Act 117 of 1998. The Speaker ensures that councilors comply with the Code of Conduct and in this regard the Speaker acts as the Chairperson of the section 79 Rules Committee.

2.4.1. System of Governance

The municipality uses the Executive system of governance. The Mayor has an overarching strategic and political responsibility of the Council. The Mayor heads the Executive Committee which comprises of five Councillors. The municipality has three full-time Councilors:

- *The Mayor : Cllr Mafogo M.J*
- *The Speaker: Cllr Lewele M*
- *Chief Whip: Cllr. Mashumu M.P*

The Executive Committee amongst others does the following:

- *Identify the needs of the municipality*
- *Review and evaluate those needs in order of priority*

- *Recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans*
- *Recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community*

The Council consists of 24 Councillors, of both elected (ward representatives) and proportional (12 Councillors). Each of the 12 ward Councillors chairs a ward committee as part of the Ward Participatory System that brings participation down to community level. Ward Councillors play a central role in the communication process between the communities they represent and the council, reporting back regularly through ward meetings and assisting the community in identifying needs and priority areas of development which feeds into the municipality's planning processes.

The Wards are demarcated as follows:

WARD	AREAS	WARD COUNCILOR
Ward 1	Balloon, Moshate and Kanana	Cllr Mathaba NM
Ward 2	Calais , Lorraine and Bellville	Cllr Palane MC
Ward 3	Metz	Cllr Letsoalo JT
Ward 4	Hlohlokwe	Cllr Popela M
Ward 5	Mahlomelong, Sofaya and Madeira	Cllr Raganya MP
Ward 6	Bismarck , Finale, Ofcalaco and Mica	Cllr Malale M.S
Ward 7	Magaung, Turkey 2,3 & 4	Cllr Palane A
Ward 8	Enable, Worcester, Butswana, Turkey 1 and Tamboville	Cllr Mohlala J
Ward 9	Sedawa, Ga- Mametja and Bochabelo	Cllr Mafologele PA
Ward 10	Molalane, Santeng and The Willows	Cllr Mafologele N. L
Ward 11	Hoedspruit and Kampersrus	Cllr Ralepelle MG
Ward 12	The Oaks and Richmond	Cllr Mohlala MJ

The Proportional Representative Councilors are:

- *Cllr Mafogo M.J*

- Cllr Mankgela M.R
- Cllr Mametja M.E
- Cllr Madike G.G
- Cllr Lewele M
- Cllr Sekgobela C
- Cllr Mashumu M.P
- Cllr Rakgoale N.S
- Cllr Mohlabe B
- Cllr Shai P.E
- Cllr Du Preez E.C
- Cllr Maile N.R

Political oversight of the administration is ensured via Section 80 Committees in control of different portfolios in Council, which comprise:

NAME OF COMMITTEE	CHAIRPERSON	SUPPORT DEPARTMENTS
<i>Finance Portfolio</i>	<i>Cllr. Madike GG</i>	<i>Budget and Treasury Offices</i>
<i>Planning and Development</i>	<i>Cllr. Mametja ME</i>	<i>Spatial Planning and Economic Development</i>
<i>Governance and Administration</i>	<i>Cllr. Sekgobela C</i>	<i>Corporate Services</i>
<i>Infrastructure and Social Services</i>	<i>Cllr. Mankgela MR</i>	<i>Technical Services and Community Services</i>

During the period under review six council meetings were held of which four were ordinary and two special. Below is the schedule indicating attendance of Council meetings and special meetings by Councillors:

Council meetings

<i>Meetings</i>	<i>Present</i>	<i>Absent</i>	<i>% Attendance</i>
<i>01 September 2009 (special)</i>	<i>21</i>	<i>03</i>	<i>87.5%</i>
<i>09 December 2009</i>	<i>23</i>	<i>01</i>	<i>95.8%</i>
<i>28 January 2010</i>	<i>18</i>	<i>06</i>	<i>75%</i>
<i>31 March 2010</i>	<i>19</i>	<i>15</i>	<i>79.1%</i>
<i>15 April 2010 (special)</i>	<i>14</i>	<i>10</i>	<i>58.3%</i>
<i>30 June 2010</i>	<i>19</i>	<i>05</i>	<i>79.1%</i>

Average Council attendance by Councillors was 79.1 %, an improvement of 1.83% of the previous financial year which was 77.3%

The Committees met as follows:

<i>COMMITTEE</i>	<i>NO.OF MEETINGS</i>	<i>MEETINGS HELD</i>
<i>Executive Committee</i>	<i>12</i>	<i>12</i>
<i>Governance and Administration</i>	<i>6</i>	<i>6</i>
<i>Finance</i>	<i>6</i>	<i>6</i>
<i>Planning and Development</i>	<i>6</i>	<i>6</i>
<i>Infrastructure and Social Services</i>	<i>6</i>	<i>6</i>

Internal Audits

Internal controls and compliance audits are conducted and reports are submitted to the management and acted upon. The municipality has just appointed the Internal Auditor who will add value to the financial management. There is also a District-Shared Audit Committee which renders services to its local municipalities.

Oversight Committee

The municipality has established an oversight committee in terms of Sections 33 and 79 of the Municipal Structures Act 1998. This committee plays an oversight role of the council regarding analyzing and reviewing of the annual report. The committee consists of four non-executive councillors and two community members.

Performance Management System

The municipality has a functional performance management system aligned to the IDP, Budget and SDBIP. This system assists the municipality to monitor measure and assess performance of both the institution and individuals. Reports are generated on a monthly, quarterly and annual basis.

Inter-governmental Relations

Maruleng Local Municipality is responsible for facilitating inter-governmental relations within its area of jurisdiction. The municipality is the convenor of the Manager's forum a "key forum for strategic alignment, coordination and integration" that serves as an inter-governmental structure where the Sector Departmental Managers in the municipality meet with their municipal counterparts. The relationship between the municipality and sector departments has improved. Two successful forums were held to date. This structure has strengthened inter-governmental relations.

PART 3: PERFORMANCE HIGHLIGHTS PER DEPARTMENT

3.1. Performance against National Targets

General Key Performance Indicators (National KPIs) are prescribed as per the Municipal Systems Act S43. These indicators have been reporting on throughout the financial year, however as all the indicators are included in the SDBIP, this section is provided for informational purposes and does not impact the overall performance for the Municipality. The Municipality achieved an on target score of **2.94 (98%)** at the end of the financial year which is an increase in performance from the mid year result of **2.31 (77%)**. In general there has been a positive trend in performance levels each quarter throughout the year and is now just under target at the end of the fourth quarter. The National Key Performance Indicators (KPIs) performed as follows per key performance Area (KPA):

National KPIs	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Average				2.10				2.31				2.61				2.94
KPA 1: Municipal Transformation and Organisational Development	3.00			3.00	2.88			2.88	4.00			4.00	3.00			3.00
Develop and retain skilled and capacitated workforce	3.00			3.00	2.88			2.88	4.00			4.00	3.00			3.00
Human Resource Management	3.00			3.00	2.75			2.75	5.00			5.00	3.00			3.00
Skills Development	3.00			3.00	3.00			3.00	3.00			3.00	3.00			3.00
KPA 2: Basic Service Delivery and Infrastructure Development	2.31			2.31	3.06			3.06	3.11			3.11	2.79			2.79

National KPIs	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Resource manage infrastructure and services for access and mobility	2.31			2.31	3.06			3.06	3.11			3.11	2.79			2.79
Roads and Storm water	1.00			1.00	1.00			1.00	3.00			3.00	3.00			3.00
Water Services	2.93			2.93	3.00			3.00	2.93			2.93	2.93			2.93
Electricity	3.12			3.12	3.12			3.12	3.04			3.04	3.06			3.06
Solid Waste Management (Solid Waste)	3.00			3.00	5.00			5.00	5.00			5.00	4.50			4.50
Municipal Infrastructure	1.25			1.25	2.69			2.69	1.61			1.61	1.00			1.00
Free Basic Services	2.55			2.55	3.55			3.55	3.09			3.09	2.23			2.23
KPA 4: Financial Viability and Management	1.00			1.00	1.00			1.00	1.89			1.89	3.03			3.03
Become financially viable	1.00			1.00	1.00			1.00	1.89			1.89	3.03			3.03
Revenue Management	1.00			1.00	1.00			1.00	1.89			1.89	3.03			3.03

In the fourth quarter, the best performance was seen by *KPA 4: Financial Viability and Management* with a score of 3.03. This was an improvement from the under performance seen in this KPA throughout the year, having scored a 1.00 in both the first and second quarters and slightly improving to 1.89 in the third quarter. The main area of concern at the end of the year is *KPA 2: Basic Service Delivery and Infrastructure Development* which scored below target at 2.79.

Performance of National KPIs

The National KPIs performed well in the following:

Free Basic Services

A total of 68% of households have access to **free** basic water against the annual target of 65%. Out of the 68%, only 2% are drinking potable water, others are drinking water from the streams and boreholes.

A total of 80% of households have access to **free** basic sanitation at the end of the financial year. This is exactly in line with the annual target.

Electricity

In total, 96.70% of households have access to electricity against the annual target of 93.10%. A total of 1729 households still require access

Solid Waste Management (Solid Waste)

In total, 4% of all households have access to refuse removal, compared to the annual target of 3%.

Revenue Management

At the end of the financial year, the cost coverage¹ stood at 58% against the targeted 56%, this is a slight improvement from the third quarter where the coverage stood at 55% against the targeted 61% for that quarter.

Roads and Storm water

The entire budget allocated for capital expenditure was spent on capital projects.

Human Resource Management

Seven people from employment equity target groups are employed in the three highest levels of management in compliance with the municipality's approved employment equity plan which targeted a total of seven for the year.

Skills Development

A total of 1% of the personnel budget was spent on the skills plan

Challenges were faced in the following area:

Revenue Management

At the end of the financial year, the outstanding service debtors² stood at 0.37% against the targeted 0%.

Free Basic Services

Only 18% of households have access to **free** basic electricity against the targeted 88.90%.
Only 27.40% of households have access to **free** basic sanitation against the annual target of 80.00%.

Municipal Infrastructure

At the end of the financial year, no jobs³ were reported as having been created through municipal infrastructure projects. It must be noted that at the end of the third quarter, 119 jobs have been created during the course of the year. This was 49.58% of the annual target of 240 jobs.

Water Services

Overall 65% of households have access to basic water against the annual target of 68%.

The National KPI performance is as follows:

Objective	Programme	ID	KPI	Actual Notes	Corrective Action	Target Notes	Sep 09			Dec 09			Mar 10			Jun 10				
							Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Annual Target	Baseline	Target	Actual	Score

Objective	Programme	ID	KPI	Actual Notes	Corrective Action	Target Notes	Sep 09			Dec 09			Mar 10			Jun 10				
							Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Annual Target	Baseline	Target	Actual	Score
Develop and retain skilled and capacitated workforce	Human Resource Management	M_57	# of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan			7	6.00	6.00	3.00	6.00	5.00	2.75	6.00	10.00	5.00	7.00	0.00	7.00	7.00	3.00
	Skills Development	M_59	% of the personnel 's budget spent on skills plan			1%	1.00	1.00	3.00	1.00	1.00	3.00	1.00	1.00	3.00	1.00	0.00	1.00	1.00	3.00

Table 1: National Key Performance Indicators - KPA 1: Municipal Transformation and Organisational Development

Objective	Programme	ID	KPI	Actual Notes	Corrective Action	Target Notes	Sep 09			Dec 09			Mar 10			Jun 10				
							Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Annual Target	Baseline	Target	Actual	Score

Objective	Programme	ID	KPI	Actual Notes	Corrective Action	Target Notes	Sep 09			Dec 09			Mar 10			Jun 10				
							Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Annual Target	Baseline	Target	Actual	Score
Source Large Infrastructure Services Access Mobility	Roads and Stormwater	M_107	% capital budget spent on capital projects			100%	100.00		1.00	100.00		1.00	100.00	100.00	3.00	100.00	0.00	100.00	100.00	3.00
	Water Services	M_99	% households with access to basic water	Out of 68% only 2% are drinking portable water, others are drinking water from the streams & boreholes		68%	68.00	65.00	2.93	68.00	68.00	3.00	68.00	65.00	2.93	68.00	0.00	68.00	65.00	2.93
	Sanitation	M_101	% households with access to basic sanitation	only 2.3% of the population has access to portable water, while the rest drink water from boreholes and streams		Reporting only	0.00	79.70			89.00			80.10			0.00		68.00	
	Electricity	M_102	% households with access to electricity	1729 Outstanding households with access to electricity		93.1%	84.20	90.00	3.12	84.20	90.00	3.12	92.50	95.00	3.04	93.10	0.00	93.10	96.70	3.06

Objective	Programme	ID	KPI	Actual Notes	Corrective Action	Target Notes	Sep 09			Dec 09			Mar 10			Jun 10				
							Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Annual Target	Baseline	Target	Actual	Score
	Solid Waste Management (Solid Waste)	M_104	% households with access to refuse removal			3%	3.00	3.00	3.00	3.00	6.00	5.00	3.00	6.00	5.00	3.00	0.00	3.00	4.00	4.50
	Municipal Infrastructure	M_90	Number of jobs (jobs are defined as employment above minimum wage, for at least three months) created by municipal capital projects			240	60.00	33.00	1.25	120.00	90.00	2.69	180.00	119.00	1.61	240.00	0.00	240.00	0.00	1.00
	Free Basic Services	M_91	% households with access to free basic water	Out of 68% only 2% are drinking portable water, others are drinking water from the streams & boreholes		65%	65.00		1.00	65.00	100.00	5.00	65.00	65.00	3.00	65.00	0.00	65.00	68.00	3.08

Projective	Programme	ID	KPI	Actual Notes	Corrective Action	Target Notes	Sep 09			Dec 09			Mar 10			Jun 10				
							Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Annual Target	Baseline	Target	Actual	Score
		M_92	% households with access to free basic sanitation			80%	70.00	79.70	3.23	80.00	89.00	3.17	80.00	81.00	3.02	80.00	0.00	80.00	80.00	3.00
		M_93	% households with access to free basic electricity	3971 indigent submitted to ESKOM only 721 configured		88.9%	44.00		1.00	66.70	39.00	1.43	77.80	92.00	3.24	88.90	0.00	88.90	18.00	1.00
		M_94	% households with access to free basic water	only 2.3% of the population has access to portable water, while the rest drink water from boreholes and streams		65%	65.00	68.00	3.08	65.00	100.00	5.00	65.00	65.00	3.00	65.00	0.00	65.00	68.00	3.08
		M_95	% households with access to free basic sanitation			80%	70.00	89.00	4.45	80.00	89.00	3.17	80.00	89.10	3.18	80.00	0.00	80.00	27.40	1.00

Table 2: National Key Performance Indicators - KPA 2: Basic Service Delivery

Objective	Programme	ID	KPI	Actual Notes	Corrective Action	Target Notes	Sep 09			Dec 09			Mar 10			Jun 10				
							Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Annual Target	Baseline	Target	Actual	Score
Become financially viable	Revenue Management	M_120	% outstanding service debtors (total outstanding service debtors divided by annual revenue actually received for services)			0%	21.00		1.00	14.00		1.00	7.00	250.00	1.00	0.00	0.00	0.00	0.37	2.96
		M_121	% cost coverage (all cash available at a particular time plus investments divided by monthly fixed operating expenditure)			56%	84.00		1.00	72.00		1.00	61.00	55.00	2.78	56.00	0.00	56.00	58.00	3.09

Table 3: National Key Performance Indicators - KPA 4: Financial Viability

CAPITAL PROJECTS

<i>Project</i>	<i>Status of the project</i>	<i>Budget allocation</i>	<i>Budget spent</i>	<i>challenges</i>
<i>Oaks- finale road</i>	<i>100% completion</i>	<i>R10,083,687.84</i>	<i>R10,083,687.84</i>	<i>Project complete without slurry layer due to funding</i>
<i>Upgrading of market stalls and bus terminals at The Oaks</i>	<i>100% completion</i>	<i>R5,033,440.00</i>	<i>R5,033,440.00</i>	
<i>Hlohlokwe Access road</i>	<i>100%</i>	<i>R2,912,447.95</i>	<i>R2,912,447.95</i>	
<i>Lorraine Access road</i>	<i>100%</i>	<i>R3,237,626.48</i>	<i>R3,237,626.48</i>	<i>No storm water drainage due to funds</i>
<i>Enable, Worcester to Butswana ring road</i>	<i>100%</i>	<i>R18,807,323.43</i>		
<i>Willows Sports field</i>	<i>40%</i>	<i>R5,745,169.12</i>	<i>R2,184,415.93</i>	<i>Contractor terminated due to poor performance</i>
<i>Makgaung ring road</i>	<i>100%</i>	<i>R8,179,863.14</i>	<i>R8,179,863.14</i>	<i>No storm water drainage due to funds</i>

1. MUNICIPAL MANAGER

This department is responsible for the following amongst others:

- *Overall responsible for the organization*
- *Strategic planning (IDP,PMS, SDBIP)*
- *Communication*
- *Internal Auditing*
- *Disaster Management*
- *Information Management*
- *Public Participation*

3.1.1. **Achievements**

At the end of the financial year, seven programmes achieved targets. Some of the KPIs and activities contributing to the success were:

- *All critical vacancies identified were field with suitable qualified candidates(in accordance to the skills development plan)*
- *At total of 96.7% of households have access to electricity against annual target of 93.1%*
- *The cost coverage achieved was 58% against the targeted 56%*
- *The Disability Action Plan has been fully implemented(100% achievement) against the 80% target*
- *All projects were 100% aligned with the budget*
- *The entire capital budget was spent on strategic initiatives*
- *There was 100% alignment alignment between projects and programmes*
- *There was 100% compliance with the Performance Regulations for Section 57 Managers*
- *All management decisions were implemented*
- *The IDP was available for public inputs and comments during the first 21 days in April. Inputs and contributions were finalized and submitted to the Rep Forum before the final IDP was adopted by Council*
- *Quarterly IDP/PMS/PM Strategic Session were organized*
- *Quarterly, midterm and annual reports were audited within two weeks of the receipt*
- *Quarterly Local Managers Forums were organized*
- *Quarterly SDBIP reports were drafted and submitted to EXCO within one month after the end of each quarter*

- *The Oversight and Annual Reports were made public (website& other public areas) and submitted to the Provincial Legislature within seven days of adoption*
- *In the second half of the financial year, all institutional performance reports were audited within three weeks of completion. This is an improvement over the first quarter where only 80% and the second quarter where only 70% of the reports were audited within the specified timeframe.*
- *A total of eight smart partnerships were created by the end of the financial year, with seven of these being in the fourth quarter. This is a considerable increase from mid-year where none had been formed in time.*

3.1.2. CHALLENGES

The following challenges were experienced:

- *No employee satisfaction survey was conducted*
- *Only 27.4 % of households have access to free basic sanitation against the target of 80%*
- *Only 791 indigent households are receiving free basic electricity against the targeted 8202*
- *Only 65% of households have access to free basic water against the target of 68%*
- *The Youth Plan has only been implemented 9% against the targeted 80%*
- *No strategic relations has been established*
- *Only 2.3% of the population has access to portable water, while the rest drink water from boreholes and streams*
- *Youth Development and HIV and AIDS programmes received the lowest scores*

Summary of performance in the office of the Municipal Manager

Office of the Municipal Manager	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Municipal Manager				2.47				2.24				2.73				2.90
KPA 1: Municipal Transformation and Organisational Development	2.90	2.63		2.86	2.85	2.83		2.78	3.15	2.64		2.84	3.12	2.67		2.85
To plan in an integrated manner	2.60	2.93		2.77	3.00	2.50		2.75	3.00	3.00		3.00	3.00	3.00		3.00
Planning and Development	2.60	2.93		2.77	3.00	2.50		2.75	3.00	3.00		3.00	3.00	3.00		3.00
Manage through information	2.87	2.96		2.93	2.56	3.00		2.60	3.00	3.00		3.00	3.00	3.00		3.00
Organisational Performance Management	2.45	2.96		2.71	2.75	3.00		2.88	3.00	3.00		3.00	3.00	3.00		3.00
Reporting	3.00			3.00	3.00			3.00	3.00			3.00	3.00			3.00
Functionality of the Performance Management System	1.67			1.67	1.50			1.50	3.00			3.00	3.00			3.00
Employee Performance Management	4.34			4.34	3.00			3.00	3.00			3.00	3.00			3.00
Develop and retain skilled and capacitated workforce	3.24	2.00		2.87	2.98	3.00		2.99	3.45	1.93		2.53	3.35	2.00		2.56
Human Resource Management	2.71	1.00		1.86	2.29			2.29	3.79	1.40		2.60	3.00	3.00		3.00
Skills Development	3.76			3.76	3.67			3.67	3.10			3.10	3.69			3.69
Organisational Performance Management		3.00		3.00		3.00		3.00		3.00		3.00				
HIV/Aids										1.40		1.40		1.00		1.00
KPA 2: Basic Service Delivery and Infrastructure	2.35	3.00		2.68	2.57	3.00		2.79	2.77	2.67		2.72	2.71	2.67		2.69

Office of the Municipal Manager	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Development																
Resource manage infrastructure and services for access and mobility	2.35			2.35	2.57			2.57	2.77			2.77	2.71			2.71
Free Basic Services	2.30			2.30	3.11			3.11	3.05			3.05	1.80			1.80
Water Services	2.99			2.99	3.03			3.03	1.97			1.97	2.97			2.97
Electricity	3.12			3.12	3.12			3.12	3.04			3.04	3.06			3.06
Roads and Stormwater	1.00			1.00	1.00			1.00	3.00			3.00	3.00			3.00
Improve Community well-being		3.00		3.00		3.00		3.00		2.67		2.67		2.67		2.67
Disaster Management		3.00		3.00		3.00		3.00		2.33		2.33		2.33		2.33
HIV/Aids		3.00		3.00		3.00		3.00		3.00		3.00		3.00		3.00
KPA 3: Local Economic Development	1.00			1.00	1.00			1.00	3.00			3.00	3.14			3.14
Grow the economy and halve unemployment	1.00			1.00	1.00			1.00	3.00			3.00	3.14			3.14
Marketing	1.00			1.00	1.00			1.00	3.00			3.00	3.14			3.14
KPA 4: Financial Viability and Management	1.75	3.00		2.50	1.33	3.00		2.22	2.49	2.00		2.18	3.24	3.00		3.16
Become financially viable	1.75	3.00		2.50	1.33	3.00		2.22	2.49	2.00		2.18	3.24	3.00		3.16
Revenue Management	1.00	3.00		2.00	1.00	3.00		2.00	1.89	3.00		2.45	3.03	3.00		3.02
Budget and Expenditure Management	2.49			2.49	1.66			1.66	3.08			3.08	3.45			3.45
Customers Care		3.00		3.00		3.00		3.00		1.00		1.00		3.00		3.00
KPA 5: Good Governance and Public Participation	3.48	2.58		3.32	2.22	2.98		2.39	2.87	3.00		2.90	2.54	3.00		2.65
Create an informed community	3.35	2.90		3.24	1.64	2.95		1.97	2.74	3.00		2.81	2.28	3.00		2.46

Office of the Municipal Manager	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Youth Development	3.14			3.14	1.11			1.11	3.00			3.00	1.00			1.00
Disabilities Development	4.42			4.42	1.32			1.32	3.00			3.00	3.31			3.31
Intergovernmental Relations (District IGR structures) (Protocol - MM and PA)	2.48			2.48	2.48			2.48	2.22			2.22	2.54			2.54
Budget and Expenditure Management		2.90		2.90		2.95		2.95		3.00		3.00		3.00		3.00
To build an effective and efficient organization	3.61	2.25		3.39	2.80	3.00		2.80	2.99	3.00		2.99	2.80	3.00		2.84
Running of municipal council	3.00			3.00	3.00			3.00	3.00			3.00	3.00			3.00
By-laws and Policies	4.44			4.44	2.21			2.21	2.94			2.94	2.50			2.50
Auditing	4.00	2.25		3.13	3.00	3.00		3.00	3.00	3.00		3.00	2.71	3.00		2.86
Fraud and Anti-Corruption	3.00			3.00	3.00			3.00	3.00			3.00	3.00			3.00

3.2. CORPORATE SERVICES

This department is responsible for:

- *General Administration*
- *Legal Services*
- *Council Support*
- *Policies and Procedures*
- *Capacity Building*
- *Occupational Health and Safety*

3.2.1. ACHIEVEMENTS

The following achievements were made:

- *All new posts have job descriptions*
- *There was 90% compliance to the employment equity plan as per the planned target of 90%*
- *Ward committee participation in Council and Community activities were higher than expected reaching 90% against the target of 80% for the financial year*
- *100% of management decisions related to the department were implemented*
- *Council has been 100% functional in terms of all the quarterly meetings that did take place*
- *All of the Council resolutions relating to the department were implemented*
- *The labour forum was functional throughout the year*
- *By the end of the financial year all, all leave, bonuses and wages were captured by the 20th of each month*
- *The website has been updated three times in the fourth quarter and 12 times during the financial year*
- *All computers have been installed with anti-virus/anti-spy software*
- *Two formal individual performance reviews took place against the set target of one.*
- *All complains received through switchboard have been responded to within 2 days throughout the financial year*
- *The reviewed communication strategy has been implemented*
- *The Municipal Information System has been centralized*

3.2.2. CHALLENGES

- One percent outstanding cases against the municipality for contravening OHS regulations against the annual target of zero
- Only 80% of staff has received adequate OHS training
- There was one percent personnel turnover for the department against a zero target percentage
- A two percent turnover of new hire during the financial year was experienced
- Only 29% of councilors have trained by the end of the financial year
- Only 50% of the documents have been removed after end-of-life
- Services rendered by Thusong centre are not fully effective as the national public works department is not cooperating
- Only 47% of skills levy rebate was actual spent on training
- The server downtime was at 1% against the allowable time of 0% for the fourth quarter
- Only 22.5% of the planned budget for training has been spent. This has been stalled due to cash flow problems.

Summary of performance of Corporate Services Department

Corporate Services Department	Sep 09			Dec 09			Mar 10			Jun 10			
	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	PRC	AVG
Corp			1.97			2.08			1.81				2.97
KPA 1: Municipal Transformation and Organisational Development	2.46	1.00	2.23	2.07	2.00	1.92	1.58	2.15	1.53	2.99	3.00		3.02
Manage through information	3.00		3.00	1.55		1.55	1.36		1.36	3.05			3.05
Organisational Performance Management	3.00		3.00	1.55		1.55	1.36		1.36	3.05			3.05
Develop and retain skilled and capacitated	1.91	1.00	1.46	2.58	2.00	2.29	1.79	2.15	1.69	2.93	3.00		2.98

Corporate Services Department	Sep 09			Dec 09			Mar 10			Jun 10			
	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	PRC	AVG
workforce													
Human Resource Management	2.82	1.00	1.91	2.58	2.00	2.29	2.56	2.15	2.36	2.80	3.00		2.90
Skills Development	1.00		1.00				1.02		1.02	3.06			3.06
KPA 4: Financial Viability and Management	1.00		1.00				1.00		1.00	3.00			3.00
Become financially viable	1.00		1.00				1.00		1.00	3.00			3.00
Budget and Expenditure Management	1.00		1.00				1.00		1.00	3.00			3.00
KPA 5: Good Governance and Public Participation	3.05	2.56	2.68	2.92	1.87	2.23	2.75	2.87	2.89	2.99	2.84		2.90
Create an informed community	3.79	2.46	2.73	3.60	2.40	2.64	3.06	3.00	3.02	3.09	2.98		3.00
Public Participation and Ward Committees	3.79		3.79	3.60		3.60	3.06		3.06	3.09			3.09
Revenue Management		2.95	2.95		3.00	3.00		3.00	3.00		3.00		3.00
Council Services		1.90	1.90		2.30	2.30		3.00	3.00		2.90		2.90
Policies and by-laws		3.00	3.00		2.30	2.30					3.00		3.00
Budget and Expenditure Management		2.00	2.00		2.00	2.00		3.00	3.00		3.00		3.00

Corporate Services Department	Sep 09			Dec 09			Mar 10			Jun 10			
	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	PRC	AVG
To build an effective and efficient organisation	2.30	2.66	2.63	2.24	1.33	1.82	2.43	2.74	2.75	2.89	2.69		2.80
By-laws and Policies	1.22	2.30	1.76	1.24	1.00	1.12	1.00	2.53	1.77	3.00	2.33		2.67
Information Technology	2.75		2.75	2.48		2.48	4.00		4.00	3.33			3.33
Administration	2.93		2.93	3.00		3.00	2.30		2.30	2.35			2.35
Running of municipal council		2.33	2.33		2.33	2.33		2.42	2.42		2.43		2.43
Communication		3.00	3.00		1.00	1.00		3.00	3.00		3.00		3.00
Legal Services		3.00	3.00		1.00	1.00		3.00	3.00		3.00		3.00

3.3. BUDGET AND TREASURY

This department is responsible for the following:

- *Income and Expenditure*
- *Debt Management*
- *Budgets*
- *Assets Management*
- *Financial reporting*
- *Supply Chain Management*

3.3.1. ACHIEVEMENTS

The following achievements were made during the financial year:

- *A total of R 12,950,729.12 was received in cash at all times against the target of R3,000,000*
- *A total of R61,415,109 was received in operating revenue against the total projected revenue of R 12,000,000 which equates to 511.79% of the total projected revenue*
- *A total of R 37,451,581.56 was received in operating grants against the targeted R 35,600,000.00*
- *There was 100% compliance to the Budget Process Plan*
- *The budget was 100% aligned to the IDP*
- *The implementation of Credit Control Policy was completed and process monitored*
- *The implementation of reviewed Rebated Policy was completed*
- *The review of the Credit Control and Debt Policy was completed and the Council approved the policy for 2010/2011 by the 31st May 2010*
- *The implementation of rebates in accordance to the Property Rates Act was completed*
- *Monthly reports were drafted and submitted to the management*
- *The final budget inputs for the 2010/11 financial year were received and the final budget was approved by Council by the 31st May 201*
- *Performance based budgeting was implemented*
- *The fixed asset register was fully updated*
- *A total of 96.69% of the projected revenue was actually received against a target of 39%*

3.3.2. CHALLENGES

The following challenges were experienced during the financial under review:

- *The outstanding amount for service debtors currently stands at R 8,305,480.20 against the target of R0.00*
- *The annual revenue actually received for services on a quarterly basis is standing at R 3,607,861.96 for the fourth against the total projected revenue of R 4,500,000.00. This equates to 80.18% of target*
- *Only R 1,831,608.15 has been invested against the targeted R 3,978,000.00 which equates to just 46.04 % of the target*

- A total of 32.48% of rates and services that have been billed has not been recovered
- In total only 77.19% of the departmental budget was actually spent
- Only three Supply Chain Management reports were submitted to Council and National Treasury against the annual target of four
- Only 70.80% of the revenue was generated was generated through grants
- The average payment rate for the municipal area stands at 39.47% against the targeted 76.00%
- An amount of R234,925.08 for bad debtors was written off
- Councillors' allowances accounted for 11.5% of the total operating budget against a target of 10%

Summary of performance of the Budget and Treasury Department

Budget and Treasury Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Chief Financial Officer				1.73				2.16				1.90				2.62
KPA 1: Municipal Transformation and Organisational Development	2.33	1.00		2.11	1.96	2.80		2.06	1.61	2.80		1.74	2.26	3.00		2.35
To plan in an integrated manner	3.00			3.00	3.00			3.00	2.17			2.17	3.38			3.38
Planning and Development	3.00			3.00	3.00			3.00	2.17			2.17	3.38			3.38
Manage through information	3.00	1.00		2.33	1.87	2.80		2.18	1.67	2.80		2.05	2.14	3.00		2.42
Organizational Performance Management	3.00			3.00	1.40			1.40	1.00			1.00	1.27			1.27
Reporting	3.00			3.00	2.34			2.34	2.34			2.34	3.00			3.00
Revenue Management		1.00		1.00		2.80		2.80		2.80		2.80		3.00		3.00

Budget and Treasury Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Develop and retain skilled and capacitated workforce	1.00			1.00	1.00			1.00	1.00			1.00	1.26			1.26
Human Resource Management	1.00			1.00	1.00			1.00	1.00			1.00	1.26			1.26
KPA 4: Financial Viability and Management	1.96	1.00		1.74	2.34	1.75		2.24	1.97	1.29		1.86	2.83	2.56		2.83
Become financially viable	1.96	1.00		1.74	2.34	1.75		2.24	1.97	1.29		1.86	2.83	2.56		2.83
Revenue Management	2.73	1.00		1.87	2.57	1.75		2.16	2.21	1.29		1.75	2.53	2.56		2.55
Budget and Expenditure Management	1.89			1.89	2.98			2.98	2.88			2.88	2.91			2.91
Supply chain management	2.00			2.00	2.25			2.25	1.67			1.67	2.88			2.88
Asset Management	1.21			1.21	1.56			1.56	1.12			1.12	2.99			2.99
KPA 5: Good Governance and Public Participation	1.33			1.33	2.19			2.19	2.11			2.11	2.67			2.67
To build an effective and efficient organization	1.33			1.33	2.19			2.19	2.11			2.11	2.67			2.67
Running of municipal council	2.00			2.00	3.00			3.00	2.34			2.34	3.00			3.00
By-laws and Policies	1.00			1.00	1.99			1.99	1.00			1.00	2.00			2.00
Auditing	1.00			1.00	1.58			1.58	3.00			3.00	3.00			3.00

3.4. SPATIAL PLANNING AND ECONOMIC DEVELOPMENT

This department is responsible for the following:

- *Spatial Planning*
- *Local Economic Development*
- *Land Reform*
- *Building regulations*

3.4.1. ACHIEVEMENTS

The following achievements were made:

- *All management decisions were implanted*
- *Monthly performance reports complied and submitted to management*
- *The Spatial Development Framework proposal is fully aligned to the Provincial Growth and Development Strategy and the IDP*
- *Town planning applications are fully in line with SDF*
- *100% increase in the implementation of LED projects*
- *The rates policy was adopted*
- *All by-laws related to the department were reviewed*
- *The SDF Rural Development Guidelines has been implemented*
- *All building plans were assessed and the average turnover is fourteen days*
- *Consultative meetings took place in support of the project for the construction o Metz shopping complex*
- *A database has been compiled with tourism product owners for the Tourism Strategy project*
- *A Tourism Officer has been appointed for the K2C Biosphere and Tourism Nodal Centre Project*
- *For the SMME support and LED, four workshops and seminars were conducted*
- *A report has been compiled of the Oaks Information Centre*
- *Land surveys have been completed for the site demarcations at Mametja, Sekororo and Moletele Community*
- *Eight applications have been received and assessed for Maruleng Land Use Management Scheme project*
- *The rezoning application has been approved to support rental housing for integrated human settlement*

3.4.2. CHALLENGES

The following challenges were experienced during the financial year

- Only 66% of land use applications were approved from those received
- No town planning contraventions resulted in legal action
- The LED Forum is only 1% functional

Summary of performance of SPED

Spatial Planning & Economic Development Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Spatial Planning and Economic Development				3.26				3.57				3.55				3.45
KPA 1: Municipal Transformation and Organisational Development	3.00			3.00	3.00			3.00	3.50			3.50	2.67			2.67
Develop and retain skilled and capacitated workforce	3.00			3.00	3.00			3.00	3.00			3.00	2.33			2.33
Human Resource Management	3.00			3.00	3.00			3.00	3.00			3.00	2.33			2.33
Manage through information	3.00			3.00	3.00			3.00	4.00			4.00	3.00			3.00
Organizational Performance	3.00			3.00	3.00			3.00	4.00			4.00	3.00			3.00

Spatial Planning & Economic Development Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Management																
KPA 2: Basic Service Delivery and Infrastructure Development	3.69	4.16		4.00	3.82	4.17		4.05	4.00	2.98		3.32	3.47	3.86		3.76
Resource manage infrastructure and services for access and mobility	3.69	4.16		4.00	3.82	4.17		4.05	4.00	2.98		3.32	3.47	3.86		3.76
Spatial Planning	3.69			3.69	3.82			3.82	4.00			4.00	3.47			3.47
Planning and Development		3.72		3.72		4.20		4.20		2.96		2.96		3.78		3.78
Town Administration (CBD and Townships)		4.60		4.60		4.13		4.13		3.00		3.00		4.50		4.50
Fraud and Anti-Corruption														3.30		3.30
KPA 3: Local Economic Development	3.00	3.15		3.15	4.00	3.41		3.51	3.00	2.86		2.86	3.00	3.14		3.14
Grow the economy and halve unemployment	3.00	3.15		3.15	4.00	3.41		3.51	3.00	2.86		2.86	3.00	3.14		3.14
Job Creation (LED Strategy)	3.00	3.00		3.00	4.00	3.00		3.50	3.00	3.00		3.00	3.00	3.00		3.00
Roads		3.00		3.00		4.45		4.45		3.00		3.00		3.30		3.30
Fleet		3.20		3.20		3.20		3.20		2.80		2.80		3.30		3.30

Spatial Planning & Economic Development Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Management																
Street Lighting		3.53		3.53		3.40		3.40		2.50		2.50		3.10		3.10
Asset Management		3.00		3.00		3.00		3.00		3.00		3.00		3.00		3.00
KPA 4: Financial Viability and Management	3.15			3.15	3.16			3.16	4.38			4.38	4.40			4.40
Become financially viable	3.15			3.15	3.16			3.16	4.38			4.38	4.40			4.40
Budget and Expenditure Management	3.15			3.15	3.16			3.16	4.38			4.38	4.40			4.40
KPA 5: Good Governance and Public Participation	3.00			3.00	4.11			4.11	3.67			3.67	3.28			3.28
To build an effective and efficient organization	3.00			3.00	4.11			4.11	3.67			3.67	3.28			3.28
Running of municipal council	3.00			3.00	4.33			4.33	3.00			3.00	3.00			3.00
By-laws and Policies	3.00			3.00	4.33			4.33	4.33			4.33	3.84			3.84
Auditing	3.00			3.00	3.67			3.67	3.67			3.67	3.00			3.00

3.5. TECHNICAL SERVICES

This department is responsible for the following:

- *Municipal Roads*
- *Infrastructure Management*
- *Projects Management*
- *Drainage and Storm water*

3.5.1. ACHIEVEMENTS

The following achievements were made during the financial year under review:

- *Monthly reports compiled and submitted*
- *All MIG projects are under Expanded Public Works Programme*
- *Only 1729 households still require access to electricity. A total of 93.10% of households already have access.*
- *Out of the 396 streetlights, 154 (39.00%) are in good working order*
- *All of Roads projects were finalized within specified timelines, budget and quality requirements*
- *The project for upgrading of the road from gravel to tar from Enable, Worcester to Butswana ring road is complete and is now in retention period*
- *The project for upgrading of the road from gravel to tar for the Makgaung ring road is complete. Additional funding is now required to construct the storm water drainage system*
- *The project for Mopani Rural Households Sanitation is 100% complete*
- *The compilation of the Housing Beneficiary list is 100% complete*

3.5.2. CHALLENGES

The following challenges were experienced during the financial year under review:

- *The amount spent on road maintenance was only R19,254.60 against the total budget of R592,000.00*
- *The energy forum is only 67% functional*
- *The project for Mamatja-Sekororo RWS is progressing very slowly due to the delays caused by Mopani District*
- *The project for the upgrading of Willows Sports Field is still on hold due to the termination of the non-performing contractor*
- *The Kampersrus Water Supply project has shown no progress as is still in the planning phase*
- *The upgrading and extension to Hoedspruit Sewerage plant project is still under design phase.*

Summary of performance of Technical Services Department

Infrastructure and Technical Services Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
TECH				1.76				1.87				2.30				1.84
KPA 1: Municipal Transformation and Organisational Development	3.00			3.00	2.00			2.00	3.00			3.00	3.00			3.00
Develop and retain skilled and capacitated workforce	3.00			3.00	1.00			1.00	3.00			3.00	3.00			3.00
Human Resource Management	3.00			3.00	1.00			1.00	3.00			3.00	3.00			3.00
Manage through information	3.00			3.00	3.00			3.00	3.00			3.00	3.00			3.00
Organizational Performance Management	3.00			3.00	3.00			3.00	3.00			3.00	3.00			3.00
KPA 2: Basic Service Delivery and Infrastructure Development	1.92	1.84		1.85	2.39	2.20		2.30	2.18	1.78		2.03	2.05	1.00		1.50
Resource manage infrastructure and services for access and mobility	1.92	1.84		1.85	2.39	2.20		2.30	2.18	1.78		2.03	2.05	1.00		1.50
Municipal Infrastructure Grant	2.33			2.33	1.67			1.67	3.44			3.44	3.00			3.00
Municipal Infrastructure	1.25			1.25	2.69			2.69	1.61			1.61	1.00			1.00
Water Services	3.05	1.70		2.38	3.05	1.70		2.38	1.00	1.43		1.22	3.00	1.00		2.00
Electricity	1.00			1.00	1.00			1.00	2.99			2.99	3.00			3.00
Capital Projects	3.00			3.00	5.00			5.00	1.02			1.02	1.00			1.00
Housing (Municipal Housing Plan and strategy implementation)	1.67			1.67	1.00			1.00	1.46			1.46	1.00			1.00
Roads	1.89			1.89	3.67			3.67	1.60			1.60	1.67			1.67
Fleet Management													1.00			1.00
Street Lighting	1.17			1.17	1.00			1.00	4.33			4.33	3.82			3.82
Maintenance and upgrading of municipal assets		2.39		2.39		2.39		2.39		1.43		1.43		1.00		1.00
Revenue Management														1.00		1.00
Financial Management and Budgeting										2.70		2.70		1.00		1.00
Youth Desk		1.05		1.05		1.05		1.05		1.00		1.00		1.00		1.00

Disability Desk						3.00		3.00		3.00		3.00		1.00		1.00
Audit		1.05		1.05		2.03		2.03		1.67		1.67		1.00		1.00
Running of Council		3.00		3.00		3.00		3.00		2.00		2.00		1.00		1.00
Solid Waste Management (Solid Waste)										1.00		1.00		1.00		1.00
KPA 3: Local Economic Development		1.30		1.30		1.30		1.30		1.50		1.50		1.00		1.00
Grow the economy and halve unemployment		1.30		1.30		1.30		1.30		1.50		1.50		1.00		1.00
Solid Waste Management (Solid Waste)										1.50		1.50		1.00		1.00
Capital Projects														1.00		1.00
Revenue Management														1.00		1.00
Housing (Municipal Housing Plan and strategy implementation)														1.00		1.00
Community Facilities		1.30		1.30		1.30		1.30						1.00		1.00
KPA 4: Financial Viability and Management	1.34			1.34	1.98			1.98	1.99			1.99	1.63			1.63
Become financially viable	1.34			1.34	1.98			1.98	1.99			1.99	1.63			1.63
Budget and Expenditure Management	1.34			1.34	1.98			1.98	1.99			1.99	1.63			1.63
KPA 5: Good Governance and Public Participation	1.30			1.30	1.78			1.78	3.00			3.00	1.74			1.74
To build an effective and efficient organization	1.30			1.30	1.78			1.78	3.00			3.00	1.74			1.74
Running of municipal council	1.30			1.30	1.78			1.78	3.00			3.00	2.48			2.48
auditing													1.00			1.00

3.6. COMMUNITY SERVICES

The department is responsible for:

- *Waste management*
- *Sports and recreation*
- *Parks and cemeteries*
- *Traffic and licensing*
- *Youth and gender matters*
- *Human settlement facilitation*
- *Thusong Service centre*

3.6.1. ACHIEVEMENTS

The following achievements were made during the financial year

- *No personnel turnover in the department*
- *100% management decisions implemented*
- *Revenue from licensing has generated 156.66% more of the targeted amount*
- *A 100% customer satisfaction rating has been achieved for library services as rated by library members*
- *There has been 80% increase in the public participation in culture and arts initiatives*
- *Four percent of households have access to refuse removal against the target of three*
- *The library awareness campaign rolled out*
- *Regular inspection carried out on the Thusong Centre to ensure they are fully operational and effective*

3.6.2. CHALLENGES

The following challenges were encountered:

- The percentage functionality of community Policy Forum is only at 70%
- The project of the landfill site is at 70% completion
- The waste minimization Strategy project is still at 70%
- The Waste removal strategy not yet reviewed

Community Service performance highlights in terms of KPIs

Summary of performance of Community Services Department

Community Services Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Community Services				2.44				2.63				3.17				2.99
KPA 1: Municipal Transformation and Organisational Development	2.98			2.98	3.00			3.00	3.17			3.17	2.67			2.67
Manage through information	3.00			3.00	3.00			3.00	3.33			3.33	2.33			2.33
Organisational Performance Management	3.00			3.00	3.00			3.00	3.33			3.33	2.33			2.33
Develop and retain skilled and capacitated workforce	2.96			2.96	3.00			3.00	3.00			3.00	3.00			3.00
Human Resource	2.96			2.96	3.00			3.00	3.00			3.00	3.00			3.00

Community Services Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Management																
KPA 2: Basic Service Delivery and Infrastructure Development	3.52	2.22		2.78	4.33	2.90		3.50	4.39	2.77		3.35	4.14	2.82		3.29
Improve Community well-being	4.03	3.00		3.60	3.65	3.00		3.46	3.77	2.94		3.49	3.77	2.93		3.43
Safety and Security	2.17			2.17	2.25			2.25	2.25			2.25	1.83			1.83
Law Enforcement										2.80		2.80		2.80		2.80
Licensing: Registering Authority	5.00			5.00	5.00			5.00	5.00			5.00	4.80			4.80
HIV/Aids	3.00			3.00	3.00			3.00	3.00			3.00	3.00			3.00
Libraries	5.00	3.00		4.00	3.00	3.00		3.00	3.00	3.00		3.00	5.00	3.00		4.00
Sports and recreation	5.00			5.00	5.00			5.00	4.38			4.38	3.00			3.00
Arts and Culture									5.00			5.00	5.00			5.00
Environmental management		3.00		3.00		3.00		3.00		3.00		3.00				
Sports, Art and Culture		3.00		3.00		3.00		3.00		2.97		2.97		3.00		3.00
Resource manage infrastructure and services for access and mobility	3.00	1.43		1.95	5.00	2.80		3.53	5.00	2.59		3.20	4.50	2.70		3.15
Solid Waste Management (Solid Waste)	3.00			3.00	5.00			5.00	5.00			5.00	4.50			4.50

Community Services Department	Sep 09				Dec 09				Mar 10				Jun 10			
	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG	KPI	PRJ	PRC	AVG
Audit		1.43		1.43		2.80		2.80		2.38		2.38		2.70		2.70
Policies and by-laws		1.43		1.43		2.80		2.80		2.70		2.70		2.70		2.70
Running of Council										2.70		2.70		2.70		2.70
KPA 4: Financial Viability and Management	1.00			1.00	1.00			1.00								
Become financially viable	1.00			1.00	1.00			1.00								
Budget and Expenditure Management	1.00			1.00	1.00			1.00								
KPA 5: Good Governance and Public Participation	2.98	3.00		2.99	3.00	3.00		3.00	3.00	3.00		3.00	3.00	3.00		3.00
To build an effective and efficient organisation	2.98			2.98	3.00			3.00	3.00			3.00	3.00			3.00
Running of municipal council	2.96			2.96	3.00			3.00	3.00			3.00	3.00			3.00
Auditing	3.00			3.00	3.00			3.00	3.00			3.00	3.00			3.00
Create an informed community		3.00		3.00		3.00		3.00		3.00		3.00		3.00		3.00
Budget and Expenditure Management		3.00		3.00		3.00		3.00		3.00		3.00		3.00		3.00

Table 4: Summary Performance for Community Services

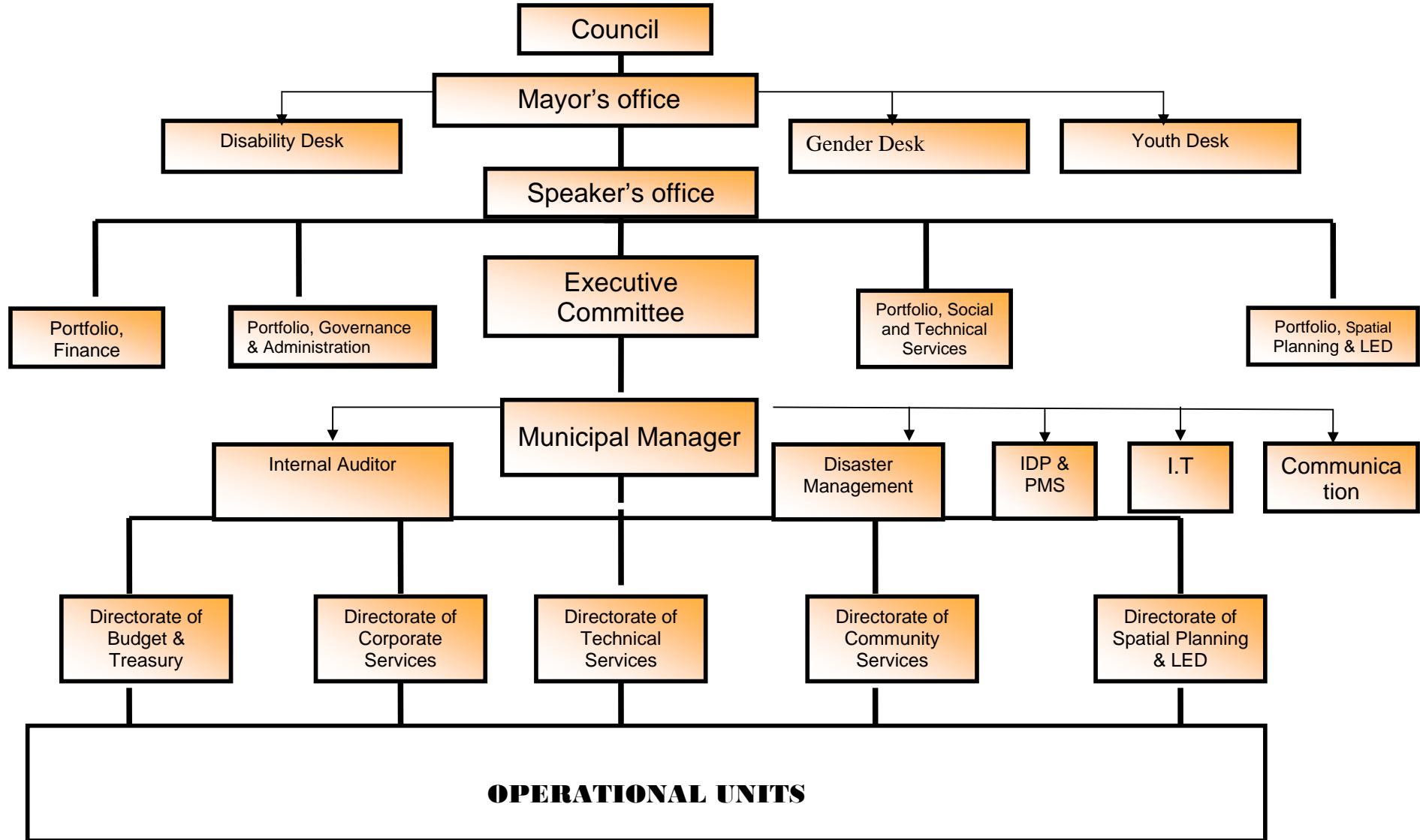
4. HUMAN RESOURCE AND ORGANISATIONAL DESIGN

4.1. Organizational design

4.1.1. Functional Organogram

The organogram is reviewed annually to cater for new needs/functions and also to align with the IDP. The organogram is attached below:

MARULENG MUNICIPALITY ORGANOGRAM - MANAGEMENT



4.1.2. Functional Structure re-design

During the 2009/10 financial year the Sections of Youth, Sports and Disability, HIV and AIDS as well as Events and Protocol were relocated from the Mayor's Office to the directorate of Community Services.

4.1.3. Staff establishment

The staff establishment was updated in line with the approved functional structure. As of June 2010, 178 positions were approved of which 115 were filled and 63 were vacant. The breakdown of the approved positions per department is presented in Table 2 below:

Department	Positions Approved	Positions Filled	Positions Vacant
<i>Mayor</i>	<i>5</i>	<i>3</i>	<i>2</i>
<i>Municipal Manager</i>	<i>9</i>	<i>8</i>	<i>1</i>
<i>Budget and Treasury</i>	<i>18</i>	<i>9</i>	<i>9</i>
<i>Spatial Planning & Economic Development</i>	<i>15</i>	<i>7</i>	<i>8</i>
<i>Corporate Services</i>	<i>17</i>	<i>13</i>	<i>4</i>
<i>Technical Services</i>	<i>77</i>	<i>52</i>	<i>25</i>
<i>Community Services</i>	<i>37</i>	<i>23</i>	<i>14</i>
Total	178	115	63

4.2. Personnel Administration

A summary of the services provided through personnel administration is summarized in Table 3:

TYPE OF SERVICE	Number of cases
<i>Employees declaring interest</i>	<i>1</i>
<i>Councilors declaring interest</i>	<i>2</i>
<i>Personnel files maintained</i>	<i>144</i>
<i>Days study leave recorded</i>	<i>151</i>
<i>long service awards made</i>	<i>1</i>
<i>Temporary staff absorbed</i>	<i>0</i>
<i>Temporary staff administered</i>	<i>1</i>
<i>Number of exits</i>	<i>6</i>
<i>Advertisements prepared & placed</i>	<i>5</i>
<i>Short-listing meetings held</i>	<i>5</i>
<i>Interviews held</i>	<i>5</i>
<i>Probation approved</i>	<i>0</i>
<i>Number of labour incidents dealt with</i>	<i>5</i>
<i>Disciplinary cases recorded</i>	<i>1</i>
<i>Grievances recorded</i>	<i>3</i>
<i>Local Labour forum meetings held</i>	<i>10</i>
<i>Job description maintained</i>	<i>121</i>
<i>Staff promoted</i>	<i>09</i>

4.3. Skills Development

Maruleng Local Municipality is committed to skills development and fully subscribes to the provisions of the National Skills Development Strategy. Therefore, the Workplace Skills Plan (WSP) for the 2009/10 financial year was submitted to the Local Government SETA (LGSETA) and has been implemented, as finances permitted it.

An amount of R 72,600 was utilized for skills development. The money was intended for, inter alia, to finance training interventions which had been identified to address the skills gaps in the municipality. The training interventions are conducted by accredited training providers to ensure quality of provision. The following programmes were attended to:

NO	COURSE NAME/QUALIFICATION TITLE	NAME OF PROVIDER	SKILLS AREA	NQF LEVEL	TARGET EMPLOYMENT CATEGORY	NO. TRAINED	DURATION	ACTUAL COST
1	Basic computer Literacy	Avuxeni Computer Academy	Computer literacy	4	Clerical and Administrative	10	5 days	19,800
2	LGAC	CPMD	Financial	4	Clerical and Administrative	9	3 days	LG SETA
3	Executive Skills for PAs and Secretaries	Vutlhari Academy	Administration	3	Clerical and Administrative	7	2 days	22,567
4	EMLDP	University of Pretoria	Management/leadership	5	Senior Management	3	1 year	LG SETA
5	NCMG	University of Johannesburg	Management/leadership	5	Professionals	2	1 year	LG SETA
6	LGAC	CPMD	Financial	3	Clerical and Administrative	9	1 year	LG SETA
7	Basic computer Literacy	Avuxeni Computer Academy	Computer literacy	4	Legislators	12	2 weeks	26,400
8	Basic computer Literacy	Avuxeni Computer Academy	Computer literacy	4	Labourers	12	2 weeks	26,400

4.4. Disclosure of salaries, allowances and benefits

The table below depicts the salaries and allowances received by Councilors during 2009/10 financial year

Incumbent(s)	Annual Remuneration	Travel and allowances	Total package
Mayor	504,999.15	128,642.15	633 641
Speaker	316,056.47	102,913.47	418 969
Chief Whip	335,077.58	96,481.58	431,558
EXCO Members	754,395.28	212,258.28	966 653
Councillors	2,629,183.30	694, 662.30	3 323 845
Total Package	4,111,154.22	1,234,957.78	5 346 112

Table 6 presents the salaries and allowances of senior officials (Section 57 Managers) for 2009/10 financial year.

Senior official	Annual remuneration	Bonuses	Travel, subsistence and other allowances	Contributions to UIF, Medical & Pension Funds	Total package
Municipal Manager	397, 248	32,961	200,978	149,645	780 832
CFO	287, 375	-	234,341	1,497	523 186
Corporate Service Director	244 530	-	259 951	70 467	574 548
SPED Director	207 400	17 189	222 505	90 314	537 408
Technical Service Director	297 893	24 824	150 071	92 500	565 308
Community Services Director	296 824	24 824	163 554	92 520	577 722
Total	1,731,270	99,798	1,231,400	496,943	3,559,004

The total personnel expenditure for 2007/8 to 2009/10 is presented in table 7

Year	Personnel expenditure	Total budget	%
2007/8	17,618,634	49,646,397.00	34,15 %
2008/9	20 030 832	67,646,397.00	36,68 %
2009/10	23, 105 960	81,529,130.00	28,34 %

Table 9 depicts medical aids used by both staff and councilors

Fund	Number of members at June09	Number of members at June 10
Bonitos	5	10
Homed	36	35
LA Health	5	5
Comred	1	1
Key Health	1	1
Total	48	52

Table 10 depicts Pension Funds utilized by both staff and councillors

Fund	Number of members at June 09	Number of members at June 10
National pension fund for municipal workers	2	3
Municipal gratuity fund	5	4
Municipal employee pension fund	106	105
Government employees pension fund	2	2
Pension fund for councillors	24	24
Total	139	138

4.5. Employment equity

In accordance with Employment Equity Act (No.55 of 1998) Maruleng municipality has developed and implemented Employment Equity Plan, as required by the said act. The employment equity profile illustrates progress made towards transformation. In terms of women empowerment, significant initiatives need to be introduced at the top level to bring women and people with disabilities to the fore. The employment equity statistics are represented in the table below.

Employment Equity Plan	Designated Group	Non-designated group	Women
Top management	100%	0%	16,6%
Middle management	100%	0%	60%
Professional staff	100%	0%	80%

The table below depicts workforce profile in terms of population groups as of 30 June 2010.

Population group	Number	Percentage
<i>Black</i>	<i>103</i>	<i>99%</i>
<i>White</i>	<i>01</i>	<i>1%</i>
<i>Coloured</i>	<i>00</i>	<i>00</i>
<i>Indian</i>	<i>00</i>	<i>00</i>
Total	104	100%

As far as gender is concerned, the positions as on 30 June 2010 is as follows

Gender	Number	%
<i>Male</i>	<i>58</i>	<i>55,7%</i>
<i>Female</i>	<i>46</i>	<i>44,2%</i>
Total	104	100%

In terms of appointment of people with disabilities as of 30 June 2010, the municipality achieved 4.8% against the national benchmark of 2 %.

4.6. Occupational Health Safety

The Municipality has a draft OHS policy which soon be adopted by council. The total number of injuries on duty reported for the period under review is. No occupational diseases were reported. Direct man-hour lost due to occupational injuries for this period was 140 hours. Medical surveillance to all staff members was conducted. Four trainings were conducted. OHS committee was established which has held meetings. Eight in-house and twelve project inspections conducted. OHS programme has build awareness and contributed to the reduction of injuries.

4.7. Grant Expenditure

Grant details	1st Quarter 30 September 09	2nd Quarter 31 December 09	3rd Quarter 30 March 10	4th Quarter 30 June 10
<i>Equitable shares</i>	7,055,166	8,077,644.50	9,100,123	8,077,644.50
<i>FMG</i>	250,000	322,000	328,000	235,546
<i>MSIG</i>	346,931.50	-	-	346,931.50
<i>Mopani grant</i>	1,000,000	1,000,000	1,000,000	460,440
<i>MIG</i>	4,092,243.45	4,092,243.45	4,092,243.45	4,092,243.45

4.8. HR POLICIES

Description	% Completed	% Reviewed	Comment
<i>Performance Management System</i>	100%	100%	
<i>Retention Policy</i>	80%		<i>To be adopted by Council</i>
<i>Skills Development Plan</i>	100%		
<i>Overtime Policy</i>	100%		
<i>Staff Bursary Policy</i>	100%		
<i>Occupational Health and Safety</i>	100%		
<i>Employee Assistance/ Wellness</i>	10%		<i>To be finalized and adopted by Council in the financial 2010/11</i>
<i>Anti-Corruption Policy</i>	100%		
<i>HIV/AIDS Policy</i>	100%		
<i>Employment Equity</i>	100%		
<i>Code of Conduct</i>	100%		
<i>Cellphone Policy</i>	100%		
<i>Language Policy</i>	100%		
<i>Tariffs Policy</i>	100%		

5. Financial statements and finance related information***Financial Statements and clarifying comments for 2009/10*****APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 33, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 20 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

R J RAMOTHWALA
MUNICIPAL MANAGER

DATE

		2010	2009
	Note	R	R
ASSETS			
Current assets			
Inventories	2	361 356	219 603
Consumer debtors	3	6 175 398	5 595 249
Other receivables	4	424 063	728 834
VAT receivable	5	311 111	672 627
Cash and cash equivalents	6	10 612 796	3 744 273
Non-current assets			
Property, plant & equipment	7	78 249 306	58 728 704
Intangible assets	8	33 000	-
Total assets		96 167 030	69 689 290
LIABILITIES			
Current liabilities			
Bank overdraft	2	-	736 947
Trade and other payables	9	5 994 844	4 541 297
Consumer deposits	10	138 936	135 063
Unspent conditional grants and receipts	11	5 648 171	1 959 574
Provision	12	366 190	366 190
Current portion of finance lease obligation	13	121 131	92 980

Non-current liabilities			
Finance lease liability	13	125 819	17 304
Total liabilities		12 395 092	7 849 355
		83 771 938	61 839 935
Net Assets			
Accumulated surplus/(deficit)		83 771 938	61 839 935
		83 771 938	61 839 935

	Note	2010 R	2009 R
REVENUE			
Property rates	14	8 411 056	6 566 358
Service charges	15	4 010 548	3 653 449
Finance income	16	159 067	429 517
Government grants and subsidies received – operating	17	38 563 959	32 348 266
Government grants and subsidies received - capital	17	16 368 974	20 785 000
Rental of facilities and equipment		487 679	358 277
Fines		1 378	354
Agency fees		1 886 837	825 465
Other revenue	18	2 380 088	629 817

Total Revenue		72 269 586	65 596 503
EXPENDITURE			
Employee related costs	19	23 105 960	20 030 832
Remuneration of councillors	20	5 346 112	4 967 970
Depreciation and amortisation expense	21	4 024 621	2 147 418
Finance cost	22	46 484	20 838
Repairs and maintenance		1 016 606	1 656 850
Bulk purchases	23	1 244 094	796 584
General expenses	24	11 966 291	13 345 223
Contracted services	25	3 581 114	2 990 918
Total Expenditure		50 331 281	45 956 633
Gain/(Loss) on disposal of assets	25	(6 302)	(138 192)
NET SURPLUS/(DEFICIT) FOR THE YEAR		21 932 003	19 501 678

	Pre GRAP Reserves & Funds	Accumulated Surplus/ (Deficit)	Total: Net Assets
	R	R	R
Balance at 1 July 2008	56 993 014	5 247 775	62 240 789
GRAP implementation (note 26)	(56 993 014)	36 572 864	(20 420 150)
Restated balance	-	41 820 639	41 820 639
Surplus/(deficit) for the period		19 501 678	19 501 678
Previous years adjustments		517 618	517 618
Balance at 30 June 2009	-	61 839 935	61 839 935
Changes in equity for 2010			
Surplus/(deficit) for the period		21 932 003	21 932 003
Balance at 30 June 2010	-	83 771 938	83 771 938

	Note	2010 R	2009 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and others		75 889 127	49 455 427
Cash paid to suppliers and employees		(44 948 382)	(43 837 650)
Cash generated from / (utilized in) operations	27	30 940 745	5 617 777
Finance income		159 067	429 517
Finance costs		(46 484)	(20 838)
Net cash from operating activities		31 053 329	6 026 456
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and other assets		(23 584 525)	(9 557 698)
Net cash used in investing activities		(23 584 525)	(9 557 698)
CASH FLOWS FROM FINANCING ACTIVITIES			
Raising/(payment) of finance lease liabilities		136 666	(100 314)
Net cash used in financing activities		136 666	(100 314)
Increase/(decrease) in cash and cash equivalents		7 605 470	(3 631 556)
Cash and cash equivalents at beginning of the year		3 007 326	6 638 882
Cash and cash equivalents at end of the year		10 612 796	3 007 326

		2010 R	2009 R
INVENTORIES			
Consumable stores - at cost		<u>361 356</u>	<u>219 603</u>
CONSUMER DEBTORS			
	Gross Balances	Provision for Doubtful Debts	Net Balance
30 June 2010			
Service debtors			
	7 880	(2 740	
Rates	060 632	564)	5 139 496
Water	869 118	102) (220	412 767
Sewerage	569 231	236) (41	77 333
Refuse	219 171	414) (80	150 805
VAT	086 434	501) (59	111 585
Other	540	126) (151	283 414
Total	<u>9 468 343</u>	<u>(3 292 945)</u>	<u>6 175 398</u>
30 June 2009			
Service debtors			

Rates	6 207 665	(2 300 288)	3 907 377
Water	465 036	(172 322)	292 714
Sewerage	123 045	(45 595)	77 450
Refuse	146 643	(54 339)	92 304
VAT	117 562	(43 563)	73 999
Other	1 829 242	(677 837)	1 151 405
Total	8 889 194	(3 293 945)	5 595 249
Debtors Age Analysis			
Rates			
Current (0 - 30 days)		725 599	507 436
31 - 60 days		553 321	481 511
61 - 90 days		482 026	370 894
91 - 120 days		409 643	351 996
120 days +		5 709 471	4 495 828
Total		7 880 060	6 207 665
Water and sewerage			
Current (0 - 30 days)		131 450	(276 197)
31 - 60 days		108 295	90 133
61 - 90 days		19 867	69 531
91 - 120 days		43 726	61 782
120 days +		448 100	642 780
Total		751 438	588 029
CONSUMER DEBTORS (cont)			
Refuse and other			
Current (0 - 30 days)		546 237	1 524 089
31 - 60 days		8 859	77 700
61 - 90 days		(31 508)	68 609
91 - 120 days		(68 939)	(272 559)
120 days +		382 196	695 662

Total	836 845	2 093 500
OTHER RECEIVABLES		
Sundry debtors	417 120	721 891
Deposits	6 943	6 943
Total Other Receivables	424 063	728 834
VAT RECEIVABLE		
VAT receivable	311 111	672 627
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of the following:		
Cash on hand	710	712
	8 780	53
Cash at bank	478	579
Call deposits	1 831 608	3 689 982
	10 612 796	3 744 273
Bank overdraft	-	736 947
The municipality has the following bank accounts:		
Current account (primary bank account)		
Bank: Standard Bank - Hoedspruit Branch		
Account number: 033355487000		
Bank statement balance at beginning of	1 486 869	4 336 214

year		
Bank statement balance at end of year	<u>11 119 121</u>	<u>1 486 869</u>
Cash book balance at beginning of year	<u>(736 947)</u>	<u>847 395</u>
Cash book balance at end of year	<u>8 780 478</u>	<u>(736 947)</u>
Market Link Account		
Bank: Standard Bank - Hoedspruit Branch		
Account number: 348213387		
Bank statement balance at beginning of year	<u>27 759</u>	<u>25 282</u>
Bank statement balance at end of year	<u>-</u>	<u>27 759</u>
Cash book balance at beginning of year	<u>27 759</u>	<u>25 282</u>
Cash book balance at end of year	<u>-</u>	<u>27 759</u>
RDP Housing Account		
Bank: Standard Bank - Hoedspruit Branch		
Account number: 131789244		
Bank statement balance at beginning of year	<u>18 438</u>	<u>17 193</u>
Bank statement balance at end of year	<u>-</u>	<u>18 438</u>
Cash book balance at beginning of year	<u>18 438</u>	<u>17 193</u>
Cash book balance at end of year	<u>-</u>	<u>18 438</u>
CASH AND CASH EQUIVALENTS (cont)		

LED Stone Crushing Account

Bank: Standard Bank - Hoedspruit Branch

Account number: 230115721

Bank statement balance at beginning of year	<u>7 178</u>	<u>7 928</u>
Bank statement balance at end of year	<u>-</u>	<u>7 178</u>
Cash book balance at beginning of year	<u>7 178</u>	<u>7 928</u>
Cash book balance at end of year	<u>-</u>	<u>7 178</u>

Licencing Department Account

Bank: Standard Bank - Hoedspruit Branch

Account number: 330920146

Bank statement balance at beginning of year	<u>205</u>	<u>748 141</u>
Bank statement balance at end of year	<u>-</u>	<u>205</u>
Cash book balance at beginning of year	<u>205</u>	<u>748 141</u>
Cash book balance at end of year	<u>-</u>	<u>205</u>

6. Assessment on arrears on municipal taxes and services charges by the Accounting Officer

Arrears on rates and services for the 2009/10 increased by **17, 29 % Or R 2,147,795**. Arrears on rates and services for the financial year 2009/10 is **12,421,602**, while in the financial year of 2008/9 was **10,273,807**.

Table 10 depicts arrears per service debtor for 2008/9 & 2009/10

Service debtors	2008/9	2009/10
Rates	6,566,358	8,411,056
Water	2,071,274	2,182,576
Sewer	195,376	214,674
Refuse	1,440,799	1,613,295
Total	10,273,807	12,421,602

The increase of these arrears is due to the following reasons:

- New town developments
- Reduction of rebates
- Poor debt collection
- Wrong addresses from the valuation roll.

Action to be taken to increase payment rates:

- Correction of valuation roll and billing of correct rates for properties
- Cleansing of customer database and new customer registration
- Implementation of Revenue enhancement strategy

- *Follow-up on outstanding debtors*
- *Full implementation of credit and debt collection strategies*

AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE AND THE COUNCIL ON MARULENG LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Maruleng Local Municipality, which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages xx to xx.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and in the manner required by the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Maruleng Local Municipality as at 30 June 2010 and its financial performance and its cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and in the manner required by the MFMA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

9. As disclosed in note 33.2 to the financial statements, the municipality is currently involved in litigation with a service provider. The ultimate outcome of the matter cannot presently be determined.

Restatement of corresponding figures

10. As disclosed in note 27 to the financial statements, the corresponding figures for 30 June 2009 have been restated as a result of the implementation of the SA standards of GRAP and the correction of errors emanating from the transfer of water related functions between the Mopani District Municipality and the local municipality during 2010 in the financial statements of Maruleng Local Municipality at, and for the year ended, 30 June 2009.

Unauthorised expenditure

11. As disclosed in note 36.2 to the financial statements, the municipality incurred unauthorised expenditure of R2.8 million as a result of exceeding the total limits of the amounts appropriated for three votes in the approved budget.

Additional matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

13. The supplementary information set out on pages ___ to ___ does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. As required by the PAA and in terms of *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the following key laws and regulations and financial management (internal control).

Predetermined objectives

15. There were no material findings on the report on predetermined objectives as set out on pages ... to ...

Compliance with laws and regulations

MFMA

The Audit Committee was not properly functioning

16. Contrary to the requirements of section 166(2)(a) of the MFMA, the audit committee did not advise the municipal council and the political office bearers on matters relating to:
- internal financial control and internal audit
 - risk management
 - accounting policies
 - the adequacy, reliability and accuracy of financial reporting
 - performance management
 - effective governance
 - compliance with the PFMA, the DoRA and any other applicable legislation
 - performance evaluation
17. Contrary to the requirements of section 166(2)(c) of the MFMA, the audit committee did not respond to the council on the prior year's findings raised by the Auditor-General of South Africa (AGSA).

Expenditure was not paid within the parameters set by the applicable legislation

18. Contrary to the requirements of section 65(2)(e) of the MFMA, expenditure was not paid within the required 30 days from the receipt of an invoice.

Expenditure was incurred otherwise than in accordance with section 15 of the MFMA resulting in unauthorised expenditure

19. Contrary to the requirements of section 15 of the MFMA, expenditure exceeded the limits of the amounts appropriated for three votes in the approved budget of the municipality.

INTERNAL CONTROL

20. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives as well as compliance with the MFMA, but not for the purpose of expressing an opinion on the effectiveness of internal control.

21. The matters reported below are limited to the significant deficiencies regarding the findings on compliance with laws and regulations.

- **Leadership**

Oversight responsibility

The accounting officer did not in all instances exercise oversight responsibility over compliance with laws and regulations, ensuring that the audit committee had access to the council and payments are made within the required 30 days from receipt of an invoice.

- **Financial and performance management**

Quality, reliable annual financial statements

The financial statements were subject to material amendments, emanating mainly from the correction of the water service transactions to be transferred to the district municipality.

- **Governance**

Audit Committee

The audit committee did not in all instances fulfil its responsibilities by advising the council on the matters set out in the MFMA.

Polokwane

30 November 2010



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

7. MANAGEMENT'S ACTION PLANS IN RESPECT OF 2009/2010 AUDITOR GENERAL'S AUDIT FINDINGS

SAMMARY ON STATUS OF IMPLEMENTATION – 09/10 AG'S REPORT AS AT MARCH 2011

NUMBER OF FINDINGS	NO.	%IMPLEMENTED	NO.	%PROGRESS	NO.	%NOT IMPLEMENTED
21	10	48%	11	52%	0	0%

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation			Progress
						Implemented	In Progress	Not Implemented	
1	<p>AUDIT COMMITTEE In terms of section 166(2) of the MFMA an AC is an independent advisory body which <u>must</u> perform certain functions, as outlined in subsections (a) to (e).</p> <p>An assessment of the functions and duties performed by the AC revealed the following:</p> <ol style="list-style-type: none"> Although the AC advised the accounting officer and management staff on the matters outlined in section 	<ol style="list-style-type: none"> The accounting officer should ensure that the audit committee (AC) has access to the council, to advice council on matters outlined in section 166(2) of the MFMA. The summary of the cases 	<ol style="list-style-type: none"> The audit committee will report to council as required by MFMA. The AC will provide the council with an authoritative and credible view of the financial position of the 	30 April 2011	CFO		✓		<p>Progress to date- March 2011 An item to be presented to council in the next quarter on 10/11 Annual Audit Committee report the report will cover activities of the Audit Committee compiled with the view on Financial position of the municipality</p> <p>The Audit Committee term has just been extended to 30 June 20</p>

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<p>166(2)(a)(i) to (viii) of the MFMA, the AC did not advise the council and political office-bearers on those matters, as required by section 166(2)(a) of the MFMA.</p> <p>2. Although the AC reviewed the financial statements before submission to the Auditor-General (AG) on 31 August, the AC did not yet provide the council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with the MFMA, the annual Division of Revenue Act</p>	<p>reported on the Presidency's fraud hotline should be made available to the AC.</p> <p>3. The council should annually assess the effectiveness of the audit committee and the audit committee the internal audit unit.</p> <p>4. The audit charter should be reviewed to ensure the functions / duties are</p>	<p>municipality in the next quarter, placing emphasis on 09/10 financial statements.</p> <p>3. A report to be drafted for submission to council highlighting the overall activities carried out by audit committee in the 09/10 financial year, the report will also be encompassed in the</p>							<p>Audit Committee to finalize the template and implement by next quarter</p> <p>Item to be presented to council in the next sitting to evaluate audit committee</p> <p>Audit committee advised Internal Audit to follow up the matter and provide status on fraud cases in municipality</p>

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<p>and any other applicable legislation, as required by section 166(2)(b) of the MFMA.</p> <p>3. Although the AC viewed the actions on the issues raised by the AG in the previous year's audit report, the AC did not respond to the council on the issues raised by the AG in the audit report for 2008/09, as required by section 166(2)(c) of the MFMA.</p> <p>4. The annual report must, <i>inter alia</i>, include any recommendations of the municipality's audit committee. A report of any recommendations was not included in the 2008/09 annual report, as required by section 121(3)(j) of the MFMA,</p>	compatible with those in section 166(2) of the MFMA.	<p>annual report</p> <p>4. Audit Committee is in the process of drafting a template for evaluating internal audit, the process will be finalized during the 10/11 financial year</p> <p>5. Council will start evaluating the audit committee in 10/11 financial year</p>							

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<p>despite that the AC did submit such report.</p> <p>5. The municipality does not manage a fraud hotline but is obliged to access the Presidency hotline website to download cases reported. Although the cases are followed up, a consolidated report is not submitted to the AC to assess those alleged fraud cases.</p> <p>6. The audit committee did not assess the effectiveness of the internal audit unit.</p> <p>7. The council did not assess the effectiveness of the audit committee.</p>		<p>6. A consolidated report of fraud cases will be requested from the municipality for assessment by Audit Committee</p>							
2	Expenditure not in			30 April	Senior	✓				Progress to date- Mar

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	accordance with budget <ul style="list-style-type: none">An analysis of the expenditure incurred for the different votes revealed that expenditure was not incurred in all instances within the limits for the different votes	The accounting officer should ensure that a reliable adjustment budget is compiled, taking into the forecast for the remaining months.	The system is designed to reject the payment of expenditure which is above the budget.	2011	Accountant					2011 Whenever payment is made the system will reject if there are insufficient funds, however the system can only be unblocked by CFO and Senior Accountant as they are only officials with passwords.
3	Payments after 30 days <ul style="list-style-type: none">payments were made 30 days after receiving the invoice:	Section 65(2)(e) of the MFMA should be adhered to.	Senior Accountant to check orders on a weekly basis to check timeframes	1 February 2011	Senior Accountant	✓				Progress to date- March 2011 On a weekly basis the senior accountant checks orders for timeframes.
4	Internal Audit : STAFFING <ul style="list-style-type: none">The approved organigram makes provision for five (5)	Management should assess the appropriateness of the number of internal auditors	Internal audit acknowledges the finding; Internal Auditor commenced duty at Maruleng		Internal Auditor		✓			Progress to date- March 2011 One appointment has been budgeted for 11/12 financial year in the me

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<p>staff members while the unit had one internal auditor during the year, with a vacancy rate of 80%.</p> <ul style="list-style-type: none"> Due to the above the internal unit was not able to perform all its functions effectively as outlined in section 165(2) of the MFMA. 	needed for the municipality, benchmarking against municipalities with similar funding.	<p>Municipality on 1st December 2009. The internal Auditor prepared an annual plan which covers a period of 6 months, in the plan there were 6 projects to be completed. Completed 3, there 2 adhoc assignments completed which then resulted in some of the projects being shuffled which equals 90% of the plan. Internal audit is in the reporting stage of final project as planned.</p> <p>It was agreed through management and Audit Committee that at least 2 appointments</p>							time internal audit will resort to co-sourcing of its services

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
			should made annually, starting from 11/12 financial year to beef up the Internal Audit Unit.							
5	Targets not consistent between IDP and SDBIP <ul style="list-style-type: none"> During the audit of reporting against predetermined objectives it was found that an effective audit trail does not exist with the objectives and targets, as recorded in the IDP the SDBIP. Alternative procedures had to be performed to trace the planned objective and target from the IDP to the SDBIP. We had to make use of the SPED manager to direct us through the IDP and 	Care should be taken to align the two documents to enable easy understanding of the correlation between the two documents.	<p>The IDP is used as a planning document while the SDBIP are the implementation document.</p> <p>The target in both documents will be the same in the IDP & SDBIP documents for 2011/ 12</p>	01 April 2011	IDP Manager		✓			

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	SDBIP. This could lead to certain planned objectives and targets being lost between the IDP and the SDBIP.									
6	Appointments: No segregation of duties <ul style="list-style-type: none"> During our audit it came to our attention that the same person who is responsible for capturing the information of new employees on the system is the same person responsible for authorizing the payment of salaries. This practice can result in fraudulent payments being made 	Management should ensure that segregation of duties exist between capturing of employee data on the system and authorizing salary payments	HR will capture the information and the Director Corporate services will authorize	20 March 2011	HR Manager	✓				Progress to date- March 2011 HR Manager to authorize payment.

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	to employees which do not exist.									
7	<p>IT Governance</p> <p>IT governance is the responsibility of executive management. It is an integral part of organisational governance and consists of the leadership, organisational structures and processes that ensure that the organisation's IT resources would sustain its strategies and objectives. IT governance allows the organisation to manage IT risks and derive value from IT investments and it supports the achievement of business objectives that are dependent on IT systems.</p> <p>Key audit findings that were identified:</p>	<p>It is recommended that executive management should adopt an IT governance framework by 30 December 2010 so that IT Officer can implement and execute the adopted framework. Lack of an IT governance framework could result in the municipality's overall approach to risk and control not being defined.</p> <p>All policies, procedures and service level</p>	<p>By 30 June 2011,</p> <ul style="list-style-type: none"> The 2009/10 risk register covers IT risks coupled with their controls, however a more detailed IT risk assessment will be conducted. VIP SLA to be signed and we will consult with Mopani about the SLA they signed on our behalf. The VIP and Munsoft systems are used as per municipal needs 	30 June 2011	MM / IT Officer		✓			

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<ul style="list-style-type: none"> • A formal IT information technology risk and control framework has not been implemented • The IT security policy and backups procedure not approved and inadequate • User account management, change control, patch management and firewall procedures not in place • Service level agreements not approved and monitored 	<p>agreements should also be revised by 30 December 2010 to ensure that all the essential security requirements pertaining to the operating and application systems are addressed. Inadequate SLAs, standards and procedures might lead to important rules not being adhered to and financial data being compromised with the risk of errors and fraud and business objectives might not be met, as a result of which service delivery resources might not be efficiently and effectively used</p>	<p>whenever we don't get what we need from the system, we log a call and the problem will be fixed. We don't need to receive performance reports in these cases</p> <ul style="list-style-type: none"> • Policies to be reviewed and will cover all aspect as per finding and will be taken to Council for adoption • Firewall procedures and patch management will be developed 							

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
8	<p>Security Management</p> <p>Security measures to prevent unauthorised access to the municipality's network and operating systems that grant access to the application systems were not in place. The network security configuration that detects and prevents unauthorised access to systems was not adequately designed.</p> <p>Key audit findings that were identified:</p> <ul style="list-style-type: none"> Operating system security parameters not adequately set to provide optimal security Access and logon violation reports not reviewed Inadequate network security controls to detect and prevent unauthorised 	<p>It is recommended that the IT Officer should rectify the security weaknesses identified at operating system level such as the policy setting immediately and the other IT security controls by 31 January 2011.</p> <p>Inadequate security settings could result in unauthorised access and alteration of sensitive data, which could impact negatively on the integrity of the financial statements.</p>	<p>The recommendation will be implemented as indicated and the admin account to be renamed and event logs will be reviewed. Target date: 31 March 2011</p>	31 March 2011	IT	✓				

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	access to the application systems that generate financial statements									
9	<p>User Access Control</p> <p>User access control is the systematic process of managing the access of users to the application. The process includes the creation, review, disabling and removal of user accounts.</p> <p>Key audit findings that were commonly identified:</p> <ul style="list-style-type: none"> Access request forms not completed Users' access not reviewed to ensure that it remained commensurate with their job responsibilities Activities of the system 	It is recommended that the IT Officer should rectify that the weaknesses identified within the user account management process by 30 November 2010. Inadequate user account management processes might result in unauthorised access and alteration of sensitive data, which could impact negatively on the integrity of data and might lead to the financial statements being compromised.	We will consult with Munsoft about user rights and correct measures will be implemented and also the filling of forms for resetting etc will also be looked into including reconciliation between user access and approved change request. IT Officer does not have a user account on VIP. Target date: 30 November 2010	<p>30 November 2010</p> <p>30 March 2011</p> <p>30 April 2011</p>	<p>IT</p> <p>IT Officer</p> <p>IT Officer</p>		✓			<p>Progress to date- March 2011</p> <p>IT Officer still does not have user account on V</p> <p>Access request form are now been completed</p> <p>Munsoft users have been reviewed and access allocated according to</p>

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<div>administrators or controllers not monitored</div> <div><div>•</div><div>Excessive access rights assigned to some users</div></div>		<div>Access request forms to be completed</div> <div>Users access to be reviewed to ensure that they remain commensurate with their job description</div> <div>Activities of the administrator to be monitored</div> <div>Users will be assigned access rights according to their job description</div>	30 April 2011	IT Officer					<div>their job responsibility</div> <div>Users on Munsoft access rights were renewed and users allocated access right according to their description</div>
10	<div>Program Change Management</div> <div>Change management controls to ensure that only authorised</div>	It is recommended that the IT Officer should ensure that the weaknesses identified with the change control	Control standards and procedure to be formulated and implemented	29 April 2011	IT Officer		✓			<div>Progress to date- March 2011</div> <div>The situation is still the same. IT Officer added that</div>

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation			Progress
						Implemented	In Progress	Not Implemented	
	and valid changes would be effected to data, tables and programs that generate the financial statements were inadequate. Key audit finding that was identified is that there were no processes in place to facilitate and approve changes made in production.	process are addressed by 28 February 2010 to prevent unauthorised system changes or upgrades being deployed, which could compromise the integrity and reliability of the system and the information it contains.							lack of staff is compromising the progress.
11	IT Service Continuity IT service continuity is the process of managing the availability of hardware, system software, application software and data to enable an organisation to recover/re-establish information systems services in the event of a disaster. The process includes business continuity planning, disaster recovery plans and	It is recommended that the IT Officer should ensures that the weaknesses identified within IT service continuity are addressed by 30 August 2011 for the BCP and DRP and 30 November 2010 for the backup process and also ensure that all are	The following will be implemented: <ul style="list-style-type: none">• he implementation for the BCP and DRP still has to be budgeted for.• The backup configuration has been done	30 November 2010 implementation of the backup process 30 August 2011 Implement	IT Officer IT Officer		✓		Progress to date- March 2011 The implementation for the BCP and DRP will be budgeted for in the next financial year.

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<p>backups.</p> <p>Key audit findings that were identified:</p> <ul style="list-style-type: none"> • Lack of formally documented business continuity and disaster recovery plans • Backup logs or report were inadequate • Backup tapes not kept off site 	<p>managed accordingly. Lack of IT service continuity could result in the municipality not being able to recover effectively from a major disaster.</p>	<p>and the implementation of the backup is in process. As for off-site, the backup will be taken to a remote site (traffic station) about 2km from the main offices</p> <p>DRP will be budgeted</p>	30/08/201	IT Officer					<p>Progress to date- March 2011</p> <p>Backup tapes are now been stored at an offsite office</p>

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
			Backup to e kept at on offsite office							
12	<p>Facilities and Environmental Control</p> <p>Physical, environmental and data centre controls implemented to ensure the security, integrity, performance and accessibility of the systems and information.</p> <p>Key audit findings that were identified:</p> <ul style="list-style-type: none"> Physical access to sensitive areas not controlled <p>Environmental controls such as fire suppression systems, for example fire</p>	<p>It is recommended that the IT Officer should ensure that the necessary arrangements are made to protect all the server equipment from any danger and adequate measures are put in place to address the weaknesses identified by 30 March 2011. Failure to do so could result in damage to computer equipment, which could lead to</p>	<p>There is R100 000 budgeted for upgrading the server room e.g. smoke detector, burglar proofing, therefore the weaknesses identified will be resolved. IT office will vacate the server room and allocated his office, there will be restricted access to the server room.</p>	<p>30 April 2011</p> <p>30 March 2011</p>	<p>Director Corporate / OHS & IT</p> <p>IT Officer</p>		✓			Progress to date- March 2011

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<p>extinguishers, water and smoke detectors and humidity/temperature control systems not in place.</p> <ul style="list-style-type: none"> • Redundant computers, as well as flammable materials were kept in the server room. • No raised floor in the room to protect against water leakages. 	the integrity and availability of the information systems being compromised.	<p>Access to sensitive area such as server room will be restricted to technician only</p> <p>The above mentioned materials will be moved to another office or store room</p>	30 April 2011	IT Officer					Some but not all were moved to the old library
13	<p>Payment made based on the quotation</p> <p>A payment made on cheque no. 102805 to the amount of R3 345.62 was based on the amount as per the quotation received from the supplier and not the invoice which indicates an amount of</p>	Reconciliations should be prepared before payments are made and payment should be made on tax invoices only.	Accountant Expenditure will be appointed to check all payments before payment.	1 February 2011	Accountant Expenditure	✓				<p>Progress to date- March 2011</p> <p>Payments to suppliers are checked and recalculated before processing for accuracy</p>

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	R3 218.19. This resulted in an overpayment of R127.43 to the supplier.									
14	No reconciliation between the asset register and the general ledger Audit finding <ul style="list-style-type: none"> Regular reconciliations were not conducted between the asset register and the general ledger. 	Reconciliations between the asset register and the general ledger should be performed on a regular basis to ensure appropriate reporting in the annual financial statements.	The General Ledger will be reconciled with the asset register after every purchase made	Ongoing	Asset Officer	✓				Progress to date- March 2011 Reconciliation is done when assets are purchased.

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
15	Input VAT claimed from invalid tax invoices <ul style="list-style-type: none"> Invoices relating to fixed assets did not meet the requirements of a tax invoice but input VAT was claimed. Municipality's vat number not reflected on the invoice. 	Invoices which do not comply with the VAT act should be sent back to the supplier for correction.	Accountant Expenditure will be appointed to all check payments before payment.	1 February 2011	Accountant Expenditure		✓			Progress to date- March 2011 Invoices are checked for validity and VAT vendors are searched on SARS website to check whether they are truly registered as VAT vendors

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
16	Subsistence allowances are not included in employees' payslips <ul style="list-style-type: none"> It was noted that the subsistence allowances claimed by employees are not included on their payslips but paid by cash cheque, therefore subsistence allowance will not reflect on the employees' IRP5 for tax purposes and that is in contravention with SARS laws and regulations. 	Management should ensure that subsistence allowance is included on payslips for compilation of IRP5 and compliance with SARS legislation.	subsistence allowance will form part of salaries	1 February 2011	HR	✓				Progress to date- March 2011 Paid with salary as per target date

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation			Progress
						Implemented	In Progress	Not Implemented	
17	Segregation of duties not exercised <ul style="list-style-type: none">Travelling and subsistence claims of the CFO which were approved and authorised for payment by herself:	The Municipal Manager or another official delegated by the Municipal Manager should approve the subsistence and travelling claims and payments of the CFO to ensure that segregation of duties is practiced.	The Municipal Manager or another official delegated by the Municipal Manager should approve the subsistence and travelling claims and payments of the CFO to ensure that segregation of duties is practiced.	1 February 2011	MM		✓		Progress to date- March 2011 The MM and senior accountant is approving the claims
18	No sufficient supporting documents for payment made <ul style="list-style-type: none">No purchase requisition and order were issued to ensure that procurement process was followed	Management should ensure that the correct procedure for purchase of goods and services is properly followed to adhere to the procurement requirements.	ensure that the correct procedure for purchase of goods and services is properly followed to adhere to the procurement requirements.	1 February 2011	Senior Accountant / Supply Chain Officer	✓			Progress to date- March 2011 Proper procurement processes is followed for purchases, payments will not be initiated without.
19	Rental-deposit <ul style="list-style-type: none">The rental register for use of community halls we noted that the	Deposit as determined by council should be charged on rental of	No deposits were charged and proper controls will be put	1 February 2011	Corporate Director	✓			Progress to date- March 2011 The municipality has formalised the tariff

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	Municipality does not charge deposit on rentals despite being stipulated in the policy <ul style="list-style-type: none">The charge of deposit will help the Municipality to cover damage cost.	community halls.	in place.							structure, deposit is charged.
20	Distribution Loss <ul style="list-style-type: none">the Municipality does not monitor and calculate the distribution of water on a monthly basis from reservoirs to the consumers; therefore the cost of distribution loss could not be determined during year under review	Management should implement controls over monitoring and calculation of distribution loss.	Monitor the loss of water on a monthly basis	01 February 2011	Director Technical Services	✓				Progress to date- March 2011 We have started with the monitoring from the main bulk meter to the households as the reservoir does not belong to us. Monitoring is done on a monthly basis & report submitted to MM
21	Procurement and Contract Management <ul style="list-style-type: none">In terms of SCM Reg 8	Officials must be trained in accordance to the treasury guidelines.	Training will be conducted of SCM officials	30 April 2011	CFO		✓			Progress to date- March 2011 Communication will be conducted with the

No.	Finding	Audit Recommendation	Management Action Plan	Target Date	Responsible Official	Status of Implementation				Progress
						Implemented	In Progress	Not Implemented		
	<p>training of SCM officials must be done in accordance with Treasury guidelines for SCM training.</p> <ul style="list-style-type: none"> We noted that in the 2009/2010 financial year no training was provided to SCM officials. 									provincial treasury regarding training on implementation of SCM

8. FUNCTIONAL AREA SERVICE DELIVERY REPORTING

8.1. GENERAL INFORMATION

Maruleng Municipality is situated in the South Eastern quadrant of the Limpopo Province within Mopani District Municipality. It is boarded by the Kruger National Park to the east, Ba-Phalaborwa and Tzaneen municipalities to the north, Lepellee-Nkumpi to the west and Tubatse and Bushbuckridge municipalities to the north. The municipality has two well-established towns namely, Hoedspruit and Kamperpus. The municipality also serves 31 rural villages which are spread across throughout the municipality.	
Geographic area in square kilometers	3247sq/km2
Source: SDF	
Total Population	95 779
Source: statssa 2007	
Indigent Population	9002
Source: Indigent Register	
Age Breakdown 0- 4 = 9 282 5- 14 = 25 925 15- 34 =34 494 35- 65 = 21 974 Over 65= 4 104	9.69% 27.0% 36.21% 22.9% 4.2%
Registered voters	

Source : IEC	44 963 (constitutes 46,94 % of the total population)
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8.2. EXECUTIVE AND COUNCIL

Reporting Level	Detail	Total	
Overview	<i>Includes all activities relating to the executive and council functions of the municipality. Including costs associated with executive, council and committees expenses and governance</i>		
Description of the Activity	<p>Mayor: is the head of the executive branch of the council. Gives political direction to the executive management team. Gives recommendations to Council in respect of executive and legislative powers. Makes recommendations to Council on proposed political structures of the Council. Works closely in co-operative and co-ordination with the Municipal Manager.</p> <p>The Executive Committee: directs and drives the transformation and development of the municipality.</p> <p>Council :</p> <ul style="list-style-type: none"> • Exercises control of its legislative and executive functions and direct its administration accordingly • Monitors and takes responsibilities to 		

	<i>fulfill its roles and objectives</i> <ul style="list-style-type: none"> • <i>To exercise its functions as contain in sections 156 & 229 of the Constitution</i> • <i>Reviewal of community needs</i> • <i>Develop mechanisms to consult communities</i> • <i>Provision of services to all its rates payers</i> 		
<i>Analysis of Function</i>	<i>Total number of Councillors</i>	<i>24</i>	
	<i>Number of Councillors on EXCO</i>	<i>05</i>	
	<i>Portfolio Committees:</i> <ol style="list-style-type: none"> <i>1. Governance and Administration</i> <i>2. Planning and LED</i> <i>3. Finance</i> <i>4. Social and Technical</i> 		<i>5,616,495</i>
	<i>Wards</i>	<i>12</i>	

8.3. MUNICIPAL MANAGER

<i>Function</i>	<i>Municipal Manager</i>		
<i>Sub-Function</i>	<i>IDP/PMS</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>The IDP/PMS Unit is the embodiment of the core business of the municipality. It functions across all departments in the municipality expressing the strategic direction the municipality has planned to take.</i>		
<i>Strategic Goals</i>	<ul style="list-style-type: none"> ▪ <i>Development and revision of Council's IDP</i> ▪ <i>Development and implementation of SDBIP and PMS</i> 		
<i>Objectives</i>	<ul style="list-style-type: none"> ▪ <i>To conduct community meetings in order to obtain inputs with regard to the developmental needs of the municipality</i> ▪ <i>To develop and compile IDP document</i> ▪ <i>To conduct IDP/PMS Technical committee meetings</i> ▪ <i>To conduct IDP/PMS Forum meetings for further stakeholder inputs</i> ▪ <i>To provide assistance in compilation of SDBIP, managers' Performance Agreements and Performance Reports</i> 		

<i>Description of the Activity</i>			
	<ul style="list-style-type: none"> ▪ <i>Number of IDP Technical Committee meetings held</i> ▪ <i>Number of IDP/PMS Forums held</i> ▪ <i>Number of IDP/PMS public participation meetings held</i> ▪ <i>Number of Managers Performance Agreements signed</i> ▪ <i>Number of quarterly reports compiled</i> ▪ <i>Reviewed municipal IDP document</i> ▪ <i>SDBIP document</i> 	5 5 4 6 4 <i>Approved by March 2010</i> <i>Adopted by Mayor June 2010</i>	
	<i>Number and to cost to the employer of the personnel associated with this function</i>	<i>Number</i> 01	<i>Cost</i> 338,345

<i>Function</i>	<i>Municipal Manager</i>		
<i>Sub-Function</i>	<i>Communications</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>The communication unit is responsible for internal and external communication functions of the organization. This includes integrating throughout the organization and at times entail the management of events, administration of council communication function, community development, publicity, marketing of council facilities, activities, advertisements and services</i>		
<i>Description of the Activity</i>	<i>The communications function is administered as follows</i>		
	<ul style="list-style-type: none"> ▪ <i>Provision of publicity for Council events</i> ▪ <i>Marketing of Council activities and services</i> ▪ <i>Management of Council newsletters</i> ▪ <i>Maintenance of media relations; co-ordination of events such as festivals, ceremonial functions, cultural occasions, campaigns, etc</i> ▪ <i>Foster inter-governmental relation with other governmental departments</i> ▪ <i>Liaising with national and provincial offices for any occasions that should be co-hosted by the municipality</i> 		

	<ul style="list-style-type: none"> ▪ <i>Dealing with general public enquiries</i> ▪ <i>Management of suggestions and complaints system</i> ▪ <i>Representing Council and formations e.g Communications Forums</i> 		
	<i>The strategic objections of this function are to:</i>		
	<ul style="list-style-type: none"> ▪ <i>Ensure public awareness of council activities, events and services</i> ▪ <i>Providing a mechanism through which the general public may submit their concerns and compliments and thereto</i> ▪ <i>Creating a strong sense of community through festivities and ceremonials occasions</i> ▪ <i>Continuously monitoring customer satisfaction by way of suggestions/ compliments/complaints mechanism</i> ▪ <i>Ensuring effective communications electronically or otherwise</i> ▪ <i>Ensuring the provision of effective assistance to the community by referring them through the correct and relevant department for enquiries</i> ▪ <i>Media relations</i> 		
<i>Analysis of the function</i>	<p><i>1.number of municipal publications</i></p> <ul style="list-style-type: none"> ▪ <i>External- copies</i> ▪ <i>Internal – copies</i> <p><i>2. Publication of council meetings</i></p> <p><i>3. Press statements</i></p> <p><i>4. Advertisement of council activities</i></p>	<p><i>As required</i></p> <p><i>As required</i></p> <p><i>As required</i></p>	

	<i>5. Media breakfast/dinners</i>	<i>As required</i>	
	<i>Number and cost to employees in relation to this function</i>	<i>Number</i> <i>01</i>	<i>R(00s)</i> <i>325 169</i>

<i>Function</i>	<i>Municipal Manager</i>		
<i>Sub-Function</i>	<i>Information Technology</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>Enhancement of service delivery through maximizing of the IMST resources in compliance with the government Information Technology House of values.</i>		
<i>Description of the Activity</i>	<i>The services rendered by the Information Technology Services Unit are as follows:</i>		
	<ul style="list-style-type: none"> • <i>Installation of computers, printers and other peripherals</i> • <i>Update the network security in terms of security policy which includes updating antivirus software, patches and firewall</i> • <i>Backup all network information in order to ensure business continuity in case of disaster</i> • <i>Administer network accounts for all the users</i> • <i>Maintenance of computer hardware and other related peripherals</i> • <i>Ensure that computer connectivity is always up and running</i> • <i>Investigate and analyze the needs of the users</i> 		

	<p><i>and develop or assist departments in acquiring their application software's</i></p> <ul style="list-style-type: none"> • <i>Procure computer hardware, printers and scanners</i> • <i>Perform regular checks of assets</i> • <i>The information/ documents on the website are updated accordingly e.g</i> <ol style="list-style-type: none"> <i>1. Annual reports, Budget, SDBIP, IDP etc</i> <i>2. Tenders, vacancies, speeches and statements</i> 		
	<i>Strategic objectives of this functions are:</i>		
	<ul style="list-style-type: none"> • <i>To manage information, systems and technology of the municipality</i> • <i>To develop and maintain a fully integrated IT infrastructure system</i> • <i>Ensure telecommunication infrastructure is available at all times</i> 		
	<i>Key issues for 2009/10 were:</i>		
<i>Analysis of the function</i>	<p><i>Number and cost to the employer of personnel related to the performance of this function</i></p> <ul style="list-style-type: none"> • <i>IT Officer</i> • <i>Support staff (temporary)</i> 	<p><i>Number</i></p> <p><i>1</i> <i>02</i></p>	<p><i>325 176</i> <i>99 567</i></p>

8.4. Financial Administration

<i>Function</i>	<i>Financial Administration</i>		
<i>Sub-Function</i>			
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>The purpose of this department is to be a flagship on efficient, effective and economic financial management to sustain a sound financial position through ensuring that the affairs of the municipality are managed in such a manner that financial resources are generated and utilized optimally to ensure sustainable service delivery.</i>		
<i>Description of the Activity</i>	<i>The function includes financial management, revenue management, budget control, credit control and collections, investment, supply chain management, assets management and banking. The department consists of three units namely, Income, expenditure and Supply Chain Management.</i>		
<i>Analysis of the function</i>	<i>Number and cost to the employer of personnel related to the performance of this function</i>	<i>Number</i>	<i>R(00s)</i>

	<ul style="list-style-type: none"> • CFO • Senior Accountant • SCM officer • Clerks • interns 	01 01 01 03	1,346 456
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Debtors Billing

Debtor Age Analysis

	<i>30 days</i>	<i>60 days</i>	<i>90 days</i>	<i>120 days</i>	<i>120 days+</i>	<i>Total</i>
<i>Rates</i>	725 599	553 321	482 026	409 643	5 709 471	7 880 060
<i>Water and sewage</i>	131 450	108 295	19 867	43 726	448 100	751 438
<i>Refuse</i>	546 237	8 859	31 508	68 939	382 196	836 845

Arrears owed by Council and officials

- ***no official or councilor owe the municipality a single cent***

8.5. Corporate Services

<i>Function</i>	<i>Corporate Services</i>		
<i>Sub-Function</i>	<i>Legal & Administration</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>The Unit of the Legal and Administration provides support to all departments within the institution. The main focus areas includes amongst others ensuring accountability, efficient and transparent governance as well as the provision of an efficient and effective services to other departments, the public and other external stakeholders, the management of records of the organization.</i>		
<i>Description of the Activity</i>	<i>The function of the Legal and Administration within the municipality includes the following:</i>		
	<ul style="list-style-type: none"> • <i>The management of all incoming post and dispensation to relevant departments</i> • <i>The compilation of Council and EXCO agenda as well as minutes thereof</i> • <i>Rendering secretariat services to council meetings</i> • <i>Rendering of an overall professional legal services</i> • <i>Ensuring compliance with relevant legislation and related matters</i> • <i>Implementing and facilitating processing to ensure the passing, execution, implementing and safeguarding of resolutions</i> • <i>Rendering of contract management function</i> • <i>Revision of existing municipal by-laws and compilation of</i> 		

	<i>new by-laws</i> <ul style="list-style-type: none"> • <i>Attending to disciplinary hearings</i> • <i>Management of labour relations</i> • <i>Administration of interface desk</i> • <i>Management of customer suggestions and complaints system</i> • <i>Effective fleet management</i> 		
	<i>Strategic objectives of this functions are:</i>		
	<ul style="list-style-type: none"> • <i>The compilation of minutes and agendas of council</i> • <i>The prompt execution of resolution taken</i> • <i>Providing mechanisms through which general public may submit their concerns and compliments thereof</i> • <i>Maintains the corporate image of the municipality</i> • <i>Continuous monitoring customer satisfaction by way of suggestion/complaints/compliments mechanism</i> • <i>Maintains sound Labour relations</i> 		
	<i>Key issues for 2009/10</i>		
	<ul style="list-style-type: none"> • <i>Development of outstanding policies</i> 		
<i>Analysis of the function</i>	<i>Number and cost to employer in relation to this function</i>	<i>Number</i> <i>11</i>	<i>R(00s)</i> <i>2,356,789</i>
	<ul style="list-style-type: none"> • <i>Number of agendas compiled</i> • <i>Instructions given to attorneys</i> <ol style="list-style-type: none"> 1. <i>Litigation</i> 2. <i>Collections</i> 3. <i>Property transfers</i> 4. <i>Criminal</i> 5. <i>Non-litigations</i> • <i>Contracts concluded</i> 		

	<ul style="list-style-type: none"> • <i>By –laws adopted and promulgated</i> • <i>Total disciplinary hearings</i> • <i>Expired contracts</i> • <i>Contracts renewed</i> 		
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STATUS OF POLICIES AND BY-LAWS

<i>Description</i>	<i>% Completed</i>	<i>% Reviewed</i>	<i>Comment</i>
<i>PMS framework</i>	<i>100%</i>		
<i>Communication Strategy</i>	<i>100%</i>	<i>100%</i>	
<i>Land Use Management Scheme</i>	<i>100%</i>		
<i>LED Strategy</i>	<i>100%</i>		
<i>SDF</i>	<i>100%</i>		
<i>Housing Chapter</i>	<i>100%</i>		
<i>Employee Performance Management Policy</i>	<i>100%</i>		
<i>Integrated Waste Management Plan</i>	<i>100%</i>		
<i>Employment Equity Plan</i>	<i>100%</i>		
<i>Skills Development Plan</i>	<i>100%</i>		
<i>Strategic Audit Plan</i>	<i>100%</i>		
<i>Retention Strategy</i>	<i>60% (draft)</i>		<i>To be adopted by council in the financial year 2010/11</i>
<i>Student Bursary Policy</i>	<i>100%</i>		

<i>Staff Bursary</i>	<i>100%</i>		
<i>Investment policy</i>	<i>100%</i>		
<i>HIV/AIDS Policy</i>	<i>100%</i>		
<i>Infrastructure Investment Policy</i>	<i>100%</i>		
<i>Revenue Enhancement Policy</i>	<i>100%</i>		
<i>Credit Control Policy</i>	<i>100%</i>		
<i>Ant-corruption Strategy</i>	<i>100%</i>		
<i>Code of Conduct</i>	<i>100%</i>		
<i>Delegations, Authorization and Responsibilities</i>	<i>100%</i>		
<i>OHS</i>	<i>50% (Draft)</i>		

<i>Function</i>	<i>Corporate services</i>		
<i>Sub-Function</i>	<i>Human Resource Management</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>The Human Resource Unit provides support services to all departments. The Unit renders an advisory service with regard to providing and maintaining human resources for delivery of quality services to communities.</i>		
<i>Description of the Activity</i>	<i>The function of the Human Resource Unit includes the following:</i>		
	<ul style="list-style-type: none"> <i>Forecasting and predicting the Human Resources needs in the organization in consultation with various departments</i> <i>Recruitment, selection and placement of staff and the administration of the employment process</i> <i>Updating and maintenance of human resource</i> 		

	<p><i>database for proper record keeping and legal compliance purpose</i></p> <ul style="list-style-type: none"> • <i>Compilation, maintenance and updating the organizational diagram's of the municipality after approval by the Council</i> • <i>Occupational health and safety advisory and training services to all departments</i> • <i>Labour relations including arrangements for meetings of the Local Labour Forum</i> • <i>Task job evaluation, skills development and Employment Equity Plan</i> • <i>Fringe benefit administration whereby employees advised about their benefits e.g. pension, medical aids etc.</i> 		
	<i>Strategic objectives of this function is to:</i>		
	<ul style="list-style-type: none"> • <i>Provide Human Resources support services to the entire institution</i> 		
	<i>Key issues for 2009/10</i>		
	<ul style="list-style-type: none"> • <i>Filling of critical vacancies with competent staff</i> • <i>Conduct of skills audit and capacity building</i> • <i>Reviewing and aligning of the orgonogram and the IDP</i> • <i>Strengthening OHS</i> 		
<i>Analysis of the function</i>	<i>Number and cost to the employer of personnel related to this function</i>	<i>Number 05</i>	<i>R(00s) 895,672</i>
	<i>Advertised posts</i> <i>Re-advertised posts</i> <i>Employees appointed</i>		

	<i>Temporary employees</i> <i>Employees promoted</i> <i>Resignation</i> <i>Retirement</i> <i>Deaths</i> <i>Dismissals</i>		
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8.6. Spatial Planning and Economic Development

<i>Function</i>	<i>SPED</i>		
<i>Sub-Function</i>	<i>Economic Development</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>To promote and network economic opportunities that will ensure job creation, poverty alleviation and investment for economic growth</i>		
<i>Description of the Activity</i>	<i>The LED Unit functions within the municipality is administered as follows:</i> <ul style="list-style-type: none"> • <i>Ensure social and economic development as prioritized in the IDP</i> • <i>Strengthening of LED forums</i> • <i>Build and maintain the economic database of the municipality</i> • <i>Identify and market new economic opportunities</i> • <i>Network to create sustainable smart partners</i> • <i>Improve the quality of life and sustainable</i> 		

	<i>livelihoods</i>		
	<i>Strategic objectives of this functions are:</i>		
	<ul style="list-style-type: none"> • <i>Development and promotion of tourism</i> • <i>Support SMMEs</i> • <i>Trade development and business diversification</i> 		
	<i>Key Issues for 2009/10 were</i>		
	<ul style="list-style-type: none"> • <i>SMMEs support and development</i> • <i>K2C Biosphere and Nodal Tourism support</i> • <i>Resuscitation of LED legacy projects</i> 		
<i>Analysis of the function</i>	<i>Cost to the employer of all economic development personnel</i>	<i>Number</i>	<i>R(00s)</i>
	<i>SMME's Officer</i>	<i>1</i>	<i>567,342</i>
	<i>Tourism Officer</i>	<i>1</i>	
<i>Function</i>	<i>SPED</i>		
<i>Sub-Function</i>	<i>Property Valuation Services</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>The Property Valuation Unit provides property valuation services to the Municipality including the compilation and maintenance of valuation rolls, ad-hoc valuations and advice to other departments concerning property related issues.</i>		
<i>Description of the Activity</i>	<i>The function of the Property Valuation Services Unit is</i>		

	<i>administered as follows:</i> <ul style="list-style-type: none"> • <i>Continual updating and analyzing of property related data</i> • <i>Inspection and valuation of all properties within the municipal boundaries</i> • <i>Compilation of quadrennial objections</i> • <i>Consider and decide objections</i> • <i>Attend and monitor valuation hearings</i> • <i>Maintenance of valuation roll by conducting supplementary valuations and compiling a supplementary valuation roll</i> • <i>Manage and decide on ad-hoc valuations</i> • <i>Render advice to other department on property related projects and issues</i> 		
	<i>Strategic objectives of this function is to:</i>		
	<ul style="list-style-type: none"> • <i>Provide a cost-effective, equitable and sustainable valuation service to the municipality in order to ensure a reliable source of revenue from assessment rates</i> 		
	<i>Key issues for 2009/10</i>		
	<ul style="list-style-type: none"> • <i>To collect and analyze data and to inspect and value properties regarding the compilation of a comprehensive valuation roll in terms of the property rates act</i> 		
<i>Analysis of the function</i>	<i>Number and cost to employer of personnel relating to this function</i> <ul style="list-style-type: none"> • <i>Valuation Officer</i> • <i>Support staff (temporary)</i> 	<i>Number</i> 1 1	<i>R(00s)</i> 567,321

	<i>Revenue generated</i> <i>Residential</i> <i>Commercial</i> <i>state</i> <i>agriculture</i> <i>other</i> Total revenue		1 413 327 607 232 112 050 495 039 200 1 319 360 355 64 522 900 3 488 362 175
	<i>Task accomplished</i>		
	<ul style="list-style-type: none"> • <i>Conduct ad-hoc valuations as required</i> • <i>Conduct supplementary valuations as required</i> • <i>Consider and decide objections regarding the above-mentioned valuation roll</i> 		

<i>Function</i>	<i>SPED</i>		
<i>Sub-Function</i>	<i>Town Planning</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>This unit consists of two components namely, town planning and building control. This unit provides strategic direction regarding spatial physical development of towns in the municipality and ensures that the development of towns take place within appropriate pieces of legislation such as acts, building regulations, town planning schemes by-laws and SDF. It further facilitates and promotes the development of an integrated spatial plan in order to</i>		

	<i>attain urban and rural growth by means of physical, social, economic and institutional development</i>		
<i>Description of the Activity</i>	<i>The function of this unit is administered in the following:</i>		
	<ul style="list-style-type: none"> <i>Evaluation of applications for town establishment, rezoning, consent use and sub-division consolidation</i> <i>Regulation and management of land uses</i> <i>Evaluation and approval of building plans and site development plans</i> <i>Conducting inspections of buildings plans and site development plans</i> <i>Conducting inspections of building to be erected to ensure that they are in accordance with the buildings plans approved</i> 		
	<i>Strategic objectives of this functions are:</i>		
<i>Analysis of the function</i>	<i>Number and cost to employer of all personnel related with this function</i> <ul style="list-style-type: none"> <i>Building inspector</i> <i>Senior Town Planner</i> <i>Support staff (temporary)</i> 	<i>Number</i> <i>01</i> <i>01</i> <i>01</i>	<i>R(00s)</i> <i>1,673,982</i>
	<ul style="list-style-type: none"> <i>Number plans received</i> <i>Number of plans approved</i> <i>Revenue collected from the plans</i> <i>Total sites demarcated</i> 	<i>89</i> <i>70</i> <i>201 sites</i>	 <i>106,532</i>

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8.7. Community Service

<i>Function</i>	<i>Community Services</i>		
<i>Sub-Function</i>	<i>Licensing</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>This function mainly ensures the registering and licensing of vehicles</i>		
<i>Description of the Activity</i>	<i>The licensing function is administered in the following:</i>		
	<ul style="list-style-type: none"> • <i>Testing of learners and driver's licenses</i> • <i>Renewal of public driving permits</i> • <i>Responsible for the registration and licensing of vehicles</i> 		
	<i>Strategic objectives of this function are:</i>		
	<ul style="list-style-type: none"> • <i>To register and license vehicles in accordance with legislation</i> • <i>To test applicants for learners and drivers licenses in accordance with prescribed procedures</i> 		
	<i>Key issues for 2009/10</i>		
	<ul style="list-style-type: none"> • <i>Proper implementation of the Road Traffic Act</i> • <i>Improve service delivery by reducing waiting time and appointing additional personnel</i> 		
<i>Analysis of the function</i>	<i>Number and cost to employer of the personnel relating to</i>	<i>Number</i>	<i>R(00s)</i>

	containers) <ul style="list-style-type: none"> • Business and industrial refuse removal • Street cleansing activities in central business and in open areas e.g parks etc • Collection of refuse in taxi ranks 		2,490,433
	<i>Strategic objective of this functions are:</i>		
	<ul style="list-style-type: none"> • Provide collection containers at strategic points • Provide households with dustbins • Ensure and proper operation at most cost effective rates • Ensure effectiveness and sustainability 		
	<i>Key issues for 2009/10</i>		
	•		
	BACKLOG <ul style="list-style-type: none"> • 95% of households which represents all rural households do not access to waste collection 		
<i>Analysis of the function</i>	<i>Number and cost to employer of personnel related with this function</i> <i>Administration staff</i> <i>Truck Driver</i> <i>Support Staff</i>	<i>Number</i> <i>01</i> <i>01</i>	<i>R (00s)</i> 435,234
	<i>Number of households receiving refuse removal</i>		

	<i>Frequency</i>		
	<i>Cost of collection</i>		2,490,433
	<i>Revenue generated</i>		1 613 295

<i>Function</i>	<i>Community Services</i>		
<i>Sub-Function</i>	<i>Parks and Recreation</i>	<i>Total</i>	
<i>Reporting Level</i>	<i>Detail</i>		
<i>Overview</i>			
<i>Description of the Activity</i>	<i>The parks and recreation function is administered as follows:</i>		
	<ul style="list-style-type: none"> <i>Parks maintenance, cemetery management and maintenance of community facilities</i> 		
	<i>Strategic objective of the function</i>		
	<ul style="list-style-type: none"> <i>Develop and maintain parks and open spaces</i> <i>Maintain cemeteries</i> 		

	<ul style="list-style-type: none"> Maintain community halls and recreational facilities 		
Analysis of the function	Number and cost to the employer related to all personnel Officials Support staff Cost to maintain facilities	Number 01 12	R(00s) 1,567,802
	Nature and extent of the facilities <ul style="list-style-type: none"> Libraries Community halls Stadium Community sports fields Parks 	Number 02 10 01	

Function	Community Services		
Sub-Function	Library Services		
Reporting Level	Detail	Total	
Overview	The main of the library is to render public service		
Description of the Activity	This function is administered as follows:		
	<ul style="list-style-type: none"> Provision of information on book material and non-book material to the users Library outreach programmes 		
	Strategic objectives of this function are:		
	<ul style="list-style-type: none"> 		

<i>Analysis of the function</i>	<i>Number and cost of personnel</i>	<i>Number</i>	<i>R (00s)</i>
	<i>Assistant librarian</i>	<i>01</i>	<i>134,567</i>
	<i>Library uses</i>		
	<ul style="list-style-type: none"> • <i>Membership</i> • <i>Non-members</i> 		

8.8. Technical Services

<i>Function</i>	<i>Technical Services</i>		
<i>Sub-Function</i>	<i>Roads & Stormwater</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<p><i>Construction of new and maintenance of existing roads and storm water systems within the municipality's area of jurisdiction.</i></p> <p><i>The Project Management Unit is responsible for the planning, design, construction of the roads and storm water networks in the area.</i></p> <p><i>While Operation and Maintenance Unit is responsible for maintenance of the roads.</i></p>		
<i>Description of the Activity</i>	<i>The road maintenance and road construction</i>		

	<i>responsibilities of the municipality are administered as follows:</i>		
	<p><i>The development and implementation of the maintenance management systems consisting of:</i></p> <ul style="list-style-type: none"> • <i>Pavement monitoring programme for surfaced roads</i> • <i>Storm water management system</i> • <i>Resealing programme</i> • <i>Designing of new roads and storm water drainage</i> • <i>Collect traffic data for planning, design, maintenance and operation management</i> • <i>Roads and storm water planning for new developments maintenance existing infrastructure</i> • <i>Project Management on the construction of new roads and storm water systems</i> 		
	<i>The strategic objectives of this function</i>		
	<ul style="list-style-type: none"> • <i>To install an effective storm water drainage in all developed areas</i> • <i>To tar all existing gravel roads in the town</i> • <i>To maintain existing roads, paying special attention to potholes</i> • <i>To improve the quality of gravel access roads in rural areas</i> • <i>To construct roads, kerbing and storm water drainage for new developments</i> 		
	<i>Key issues for 2009/10</i>		
	<ul style="list-style-type: none"> • <i>Manage the execution of capital projects and maintenance work on roads and storm water</i> 		

	<i>infrastructure</i> <ul style="list-style-type: none"> • <i>The provision of new roads and storm water infrastructure</i> 		
<i>Analysis of the function</i>	<p>1. <i>Number and cost of all personnel:</i></p> <p>PMU</p> <ul style="list-style-type: none"> • <i>Manager</i> • <i>Technician</i> • <i>Administration staff</i> <p>Maintenance and Operation</p> <ul style="list-style-type: none"> • <i>Senior Officer</i> • <i>Administration staff</i> • <i>Foreman</i> • <i>Labourers</i> 	<p><i>Number</i></p> <p><i>01</i></p> <p><i>01</i></p> <p><i>02</i></p> <p><i>01</i></p>	<p><i>R (00s)</i></p> <p><i>1,567,231</i></p>
	<p>2. <i>Total number, kilometers and value of road</i></p> <p>3. <i>Total number of kilometers tarred</i></p> <p>4. <i>Existing backlogs</i></p> <p>5. <i>Total operating cost</i></p> <ul style="list-style-type: none"> • <i>Capital budget</i> • <i>Operating budget</i> 	<p><i>10.km</i></p> <p><i>108.8km</i></p> <p><i>118.8km</i></p>	

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<i>Function</i>	<i>Technical Services</i>		
<i>Sub-Function</i>	<i>Water supply and distribution</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>Includes the bulk purchase and distribution</i>		<i>1,244,094</i>
<i>Description of the Activity</i>	<i>The function is administered as follows:</i>		
	<ul style="list-style-type: none"> • <i>Responsible for the acquisition, abstraction, purification and distribution of bulk water</i> • <i>Management of water meter replacement programme to reduce water losses</i> • <i>Ensure sustainable , affordable, effective and efficient access for the urban residents</i> 		
	<i>Strategic objective of this functions:</i>		
	<ul style="list-style-type: none"> • <i>Provide portable water to all households in the urban areas</i> • <i>Maintaining existing water infrastructure</i> 		

	<ul style="list-style-type: none"> • <i>Provide infrastructure for new development</i> • <i>Provide drinking water to people residing on rural areas who do not have access to safe water</i> 		
<i>Analysis of the function</i>	<ol style="list-style-type: none"> 1. <i>Number and cost to employer of all personnel</i> 2. <i>Total volume and cost of bulk water supplied in kilolitres and rand, by category of consumer</i> <ul style="list-style-type: none"> • <i>Residential /other</i> • <i>Commercial</i> • <i>Kilolitres pumped</i> • <i>Kilolitres sold</i> 		

<i>Function</i>	<i>Technical Services</i>		
<i>Sub-Function</i>	<i>Sewerage</i>		
<i>Reporting Level</i>	<i>Detail</i>	<i>Total</i>	
<i>Overview</i>	<i>Includes provision of sewerage services and facilitation for new infrastructure in rural areas</i>		
<i>Description of the Activity</i>	<i>The sewerage functions of the municipality are administered as follows and includes:</i>		

	<ul style="list-style-type: none"> • <i>To maintain the existing sewer network in the urban areas</i> • <i>To provide infrastructure for new developments</i> • <i>Facilitation accessibility of sanitation services to rural communities</i> • <i>The upgrade of outfall sewers</i> 		
	<i>Strategic objectives of this function are to:</i>		
	<ul style="list-style-type: none"> • <i>To maintain the existing sewer networks in the urban areas</i> • <i>To provide infrastructure for new developments</i> • <i>The effective management of sewage effluent according to the Water Services Act and National Water Act</i> 		
<i>Analysis of the function</i>	<p><i>Number and costs to employer of all people associated with sewerage function</i></p> <p><i>Number of households with sewerage services and types</i></p> <ul style="list-style-type: none"> • <i>Flush toilets (connected to sewage system)</i> • <i>Flush toilets (septic tanks)</i> • <i>VIP</i> • <i>No toilet provision</i> 	<i>Number</i>	<i>R(00s)</i>

PART 9: CONCLUSION

This comprehensive report was able to paint a clear picture on areas of strengths as well as weaknesses. The management has drawn an action plan to address weaknesses pointed out in the report. When the content assessment of the IDPs in the Province was done, the comments of the MEC for Local Government and Housing gave our IDP high crediting rating. Both the unqualified audit report and the high IDP credibility rating the municipality got are the indicators that it is ready towards contributing in the achievement of Outcome which focuses on:

“A responsive, accountable, effective and efficient local government system”

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 RAMOTHWALA R.J
 MUNICIPAL MANAGER

30 MARCH 2010